









## Concern grows over pension and wage pledge

# Spanish markets worried over budget

By Tom Burns in Madrid

Unexpectedly high prices in Spain coupled to a government promise to index pensions and civil servants' wages to inflation have raised doubts in financial markets over Madrid's ability to deliver a restrictive budget this month that will reduce the public deficit.

The market has pushed long-term interest rates above 11.4 per cent this week, the highest level since February last year and one that represents a spread of some 400 basis points against Germany.

"Spain is under suspicion," said Mr Henrik Lumboldt, head of fixed income research at Madrid securities house FG. "If there is a market sell-off, Spain is going to be sold more aggressively."

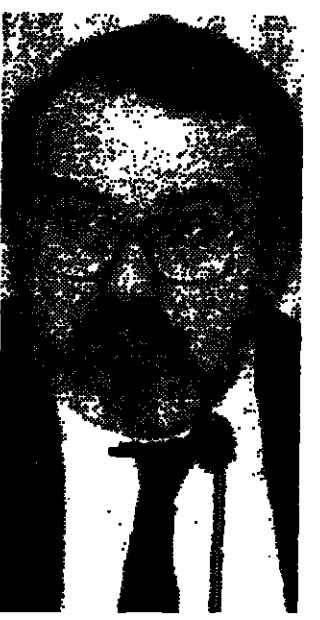
Mr Pedro Solbes, the economy minister, echoing a more sombre mood about the domestic economy, was reported yesterday as saying a reduction in interest rates was "now more difficult" and he "hoped they will not have to rise".

Only a week ago Mr Solbes had forecast lower interest rates - the benchmark intervention rate set by the Bank of Spain has stood at 7.35 per cent since early August - before the end of the year. The minister's changed predictions came after an unexpectedly high 0.6 per cent rise in August's consumer price index, which put year-on-year inflation at 4.8 per cent and accumulated 1994 inflation

at 3.2 per cent, just short of the 3.5 per cent target for the year's end.

Although the economy ministry, which is due to deliver its 1995 budget this month, is officially sticking to a restrictive policy that will reduce the public deficit by a full point to represent 5.9 per cent of gross domestic product, the market appears to already be discounting a loosening of the professional tight monetary guidelines.

The market perceptions are likely to be heightened following



Pedro Solbes: sombre mood

ing guidelines announced this week on pensions and civil servants' pay. Mr González said in parliament that Spain's nearly 7m pensioners, whose retirement pay this year has been based on the 3.5 per cent CPI rise projection, will be fully compensated for what now seems likely to be an inflation rate of around 4.3 per cent at the end of the year.

The government has also agreed to link salary increases for Spain's 2m civil servants to inflation over the next three years starting in 1995. The agreement with unions includes an undertaking to make up for a wage freeze on civil servants' pay over the past two years with increased pay awards in 1996-1997.

The open-handed policy to both pensioners and civil servants has prompted speculation that prime minister Felipe González, who was re-elected in 1993 for a four-year term just as Spain dipped steeply into recession, could be laying the groundwork for a snap election next year, when the economy is forecast to recover rapidly and grow by as much as 3.5 per cent.

"The government looks as if it is throwing caution to the winds and risking a 'stop-go' economy," said Mr Lorenzo Bernaldo de Quirós of Madrid economic consultants Global Research. "There are a lot of inflationary tensions and restrictive policies should be kept in place longer."

## Kiev ministers poised to clinch deal with IMF

By Matthew Kaminski in Kiev

Ukraine is on the verge of reaching its first agreement with the International Monetary Fund, a step which could unlock the \$4bn (\$2.5bn) in aid promised by the Group of Seven leading industrial nations, senior Ukrainian and western officials said this week.

Ukrainian cabinet ministers said they believed the country could reach a preliminary agreement with the IMF on an initial \$700m loan to stabilise the economy by the end of the month. An agreement with the IMF would be the strongest signal so far that Ukraine, one of the weakest economies in the region, is about to attempt a radical economic transformation.

"We have a plan that will meet IMF conditions," said Mr Roman Shepek, the reform-minded economy minister who is spearheading Kiev's negotiations with the Fund. "There is now enough political will in Ukraine."

Western diplomats said Ukraine could reach the preliminary agreement with the Fund as soon as next Tuesday. Final approval would come at the IMF's summit in Madrid next month.

To meet IMF conditions Ukraine, which has one of the least reformed economies in the region, must liberalise prices, reform the currency, overhaul its restrictive taxation and trade policies and slash its budget deficit from its current high of 29 per cent of GDP to 10-15 per cent.

Some western politicians and economists, many of whom

Crimea's vice-prime minister, Mr Yevgeny Saburov, yesterday resigned in the wake of a confrontation between President Yuri Yushchenko and the parliament of the autonomous Ukrainian peninsula, dealing a further blow to the president, writes Matthew Kaminski. Mr Saburov, a former Russian economics minister, said he did not "see the possibility of working further in a constructive way if this situation continues".

Mr Saburov's appointment, along with other "Moscow experts", to head the contested region's government was, ironically, resented by

had dismissed Ukraine as an economic basket case, have begun to argue that if Ukraine chooses to reform it should be supported with substantial western assistance. The \$4bn, pledged at the G7 summit in Naples in July, was the first concrete move in this direction.

"I just can't believe that the west would miss this chance," said Mr Jeffrey Sachs, the Harvard economist who advised Poland when it pioneered "shock therapy" reforms nearly five years ago. "You have a classic situation in Ukraine where you could have a very good programme or the opportunity could be lost. But they need a push from President Clinton and Chancellor Kohl."

However, if President Leonid Kuchma's administration chooses to push for radical economic reforms it could face tough opposition from Ukraine's communist-dominated parliament, where MPs from the rust-belt in the east of the country have a powerful voice.

Although Mr Kuchma has already demonstrated a greater willingness to over-ride parliament by exercising the president's right to issue decrees, he

parliament, a pro-Russian chamber dedicated to breaking from Ukraine. Mr Meshkov appointed Mr Saburov to revive economic links with Russia, although stopping short of complete independence from Ukraine.

Mr Meshkov, his position uncertain, told the Interfax news agency he would defend the Saburov government against parliament. Last Sunday he suspended parliament but ended the lock-out two days later.

Ukrainian President Leonid Kuchma's special envoy, Mr Yevgeny Marchuk, arrived in Simferopol yesterday to try to settle the dispute.

is expected next Tuesday to ask the legislature to lift its moratorium on privatisation. Within the next few days his advisers say he will also present a comprehensive economic reform plan to the parliament. Moreover, Prime Minister Vitaliy Maslov, an appointee of the previous president, has openly opposed reforms. But some western observers believe that Mr Kuchma, who has been quietly moving his own, more reformist, allies into the cabinet, may be trying to isolate and eventually sack Mr Maslov.

These political uncertainties, and lingering doubts about Mr Kuchma's own commitment to reforms, have prompted some leading Ukrainian politicians to urge the west not to give aid to Ukraine until it acts on its reformist promises.

"Ukraine is like an alcoholic asking for a loan to buy more vodka," Mr Viktor Pynzenyuk, one of the leading advocates of radical reforms in the parliament, said. Before giving Ukraine financial assistance, he warned senior World Bank officials at a meeting last week, they must be confident that the government had "kicked the state out of the economy".

## Revenge of the Armenian diaspora

### Steve Levine on a decisive force in the long territorial war with Azerbaijan

Until a year ago, two Californian men cut among the boldest images to be seen in Armenia's long separatist war with Azerbaijan, careening around the battlefield in a jeep with "Crusaders" emblazoned across the doors and fighting harder than many local comrades.

The pair was there as the Armenians penetrated deep into neighbouring Azerbaijan, grabbing a towering advantage over the enemy. One of them, an import-export trader named Mr Gary Kakhigian, was even suspected by the FBI of running guns to the homeland to buttress the Armenians' effort.

Now, with a tense ceasefire holding since July, the Armenians seem poised to gain suzerainty over the patch of Azerbaijan for which they have fought since 1988. Azerbaijan, which has lost more than a fifth of its territory and been pushed to the brink of disintegration, appears ready to offer Armenia a political settlement in peace talks that have narrowed to one or two differences.

But only one of the Californians will be around to savour the apparent triumph: Mr Kakhigian, 31, was killed by a sniper in June 1993.

Now his buddy fights on alone. "I'm not a Rambo, I'm not a trained specialist, but I do my best," says Mr Chahs Ajamian, 32, at his friend's grave. "We have one slogan: 'Death or Freedom'."

If the Armenians do ultimately carve out an independent region of Azerbaijan for themselves, as seems probable, it will be largely a result of the efforts of zealous diaspora Armenians such as the Californians. The world's 8m-strong Armenian diaspora community, concentrated in the US cities of Boston, Fresno and Los Angeles, and in Paris, Beirut and Damascus, has been the war's key private backer.

Responding to the Armenians' demand for independence in a tiny, kidney-shaped Azerbaijan region called Nagorno-Karabakh, diaspora groups have raised millions of dollars a year in telethons, political fund-raising drives and individual donations. In one California telethon alone



Armenian militants: support of Armenians all over the world has turned the war in their favour

in February, the radical, Athens-based Armenian Revolutionary Federation raised \$1.5m, according to a group spokesman.

The donations have helped break an Azerbaijan blockade of Armenia, financing food and clothing, but also arms, ammunition, communications and other equipment. The result has been to underpin Armenia's dramatic shift from a rear-guard defence of Nagorno-Karabakh two years ago to its vast advantage today.

The success of the Armenian diaspora illustrates an outgrowth of Europe's post-cold war rash of nationalist wars. This has been an increase in the power of diaspora groups - especially from eastern Europe and former Soviet bloc nations such as Ukraine and the Baltics - to influence politics in the western countries where they live, and in the nations from which they emigrated.

A decade ago, Armenian diaspora organisations were near political pariahs in Europe and the US, as Armenian extremists went on a 10-



year terrorist streak in which 41 Turkish diplomats around the world were slain.

Now, groups such as the Armenian Assembly of America and the Armenian Revolutionary Federation, known as "Dashnak", operating in the US Congress, the United Nations and the Elysée, are among the world's most sophisticated political lobbyists, according to western political analysts and diplomats. Their influence has almost entirely overshadowed Azerbaijan's thus far feeble efforts in Washington.

Nagorno-Karabakh has been

a binding glue for the diaspora, which grew up after the 1915 massacre of up to 1m Armenians in Ottoman Turkey.

Armenian groups, for example, have claimed credit for the US Congress's decision to single out Azerbaijan for Washington's only sanctions in the ex-Soviet Union; the 1992 Freedom Support Act bars all but humanitarian aid to Azerbaijan because of its blockade of Armenia. Meanwhile, Armenia was allocated \$195m in 1993 US aid, second only to Russia among ex-Soviet states.

Analysts say the lobby has been especially skilful in targeting campaign contributions. One of its strongest supporters, the Democratic congressman Mr Joseph Kennedy II, for example, received more than 10 per cent of his 1994 individual campaign donations from Armenian contributors, according to public records in Washington.

"There is a real sense in the [US government] agencies that Armenia absolutely must not be slighted," says Mr Corbin Lyday, of the Stanford-Berkeley Department of Soviet and

post-Soviet Studies.

The war has its roots in Josef Stalin's divide-and-rule tactic of shifting entire ethnic populations on to others' lands, or awarding one people political control over land populated by a rival nationality. In 1923, Stalin laid the seeds for today's war by placing the Nagorno-Karabakh Armenians under Azeri control.

In 1988, the Armenian population openly rebelled, alleging decades of discrimination against its language and culture, and the fighting has escalated steadily since. In July, Moscow brokered a truce, and has proposed that Russian troops form a cordon between the two sides.

Peace talks have narrowed to two questions - who will control a strategic corridor between Nagorno-Karabakh and Armenia proper called Lachin, and a town called Shusha, to which both sides claim a sentimental attachment. The Armenians now control both and, since Azerbaijan has few bargaining chips aside from hoped-for leverage from Moscow, the chances are that the Azeris will not regain control over either.

The diaspora's most important assistance has come on the battlefield itself. The Armenians' weapons and ammunition caches far outstrip their obvious resources; diaspora groups are responsible for supplying a significant part of the materiel, and Moscow the remainder, western analysts say.

A puzzling feature of the diaspora support, however, has been a relative dearth of army volunteers. Just four to five dozen diaspora Armenians have fought at any one time, say local and western sources. Almost all these volunteers have been from Lebanon and Syria.

One of them is Mr Mike Melkonian, 41, who until recently operated a jewellery store in Montebello, California.

Wounded in the back earlier this year, Mr Melkonian was interviewed on his return to Montebello to recuperate. "I'm going to spend two or three days in the Jacuzzi," he said, lounging on an armchair from Yerevan. "But then I'm coming back. Not everyone can fight."

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HI-Bell Pharmaceutical, Inc., a joint-venture between HI and Bell Co., Ltd. of Japan, manufactures and distributes pharmaceutical items. Its products cater primarily to the medical needs of people advancing in age. HI-Bell recently started marketing and distributing veterinary products.

In joint venture with Delet, Inc., Japan's largest supermarket and department store chain, HI established HI-Delet Trading Company, Inc. As the Philippine purchasing agent for Delet, the company sources high quality products for distribution in Japan.

Kagitingan Printing Press, established in partnership with Philippine-based Andres Soriano Corporation, is the exclusive printer of the Manila Standard, a leading daily newspaper with nationwide circulation.

The largest memorial park company in the Philippines, Manila Memorial Park Cemetery,

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EKI Corporation, an HI affiliate, is one of the largest engineering and construction firms in the Philippines. It has extensive overseas operations in the Middle East, principally in Kuwait, and has construction contracts in Brunei and Malaysia. EKI is a major player in industrial plant construction. It has taken the lead in erecting oil refineries, power generation plants, cement companies, food processing factories and other manufacturing facilities.

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### RCBC Capital Corporation

RCBC Capital Corporation is a subsidiary of Rizal Commercial Banking Corporation, the Philippines' fifth largest universal bank. As a major investment bank, RCBC Capital extends a host of services including underwriting, project financing, and joint venture packaging.

RCBC Capital played an active role in most of the 1993 initial public offerings in the Philippine stock market, which, according to the International Finance Corporation global index, registered a US dollar return of 132.2%, the highest return recorded in Asia and Latin America. RCBC Capital was lead underwriter for the issues of House of Investments and of Jollibee Food Corporation (the Philippines' largest fast food chain). It was a co-underwriter for the Kipkhal Shipyard issue and co-lead selling agent for the secondary issue of EKI Corporation.

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## NEWS: INTERNATIONAL

# Opposition to nuclear treaty grows

By Frances Williams in Geneva

An indefinite extension of the nuclear non-proliferation treaty, desired by most western nations and four of the five nuclear powers, has run into stronger-than-expected Third World opposition.

Mr Isaac Ayewah of Nigeria, chairman of a meeting in Geneva to prepare for the NPT extension conference next spring said yesterday that a majority of states appeared to favour only a limited extension of the treaty, accompanied by clear moves by the five declared nuclear-weapon states towards nuclear disarmament.

This was later refuted by Mr Thomas Graham, head of the US delegation, who said about 60 countries were committed to making the NPT permanent while the remainder of the treaty's 164 members had yet to make up their minds. However, he admitted that the prospects of indefinite extension, while "reasonably good", were "not assured".

Among the nuclear powers the US, Russia, France and Britain support indefinite extension. China has not declared its position.

A decision to extend the NPT requires a simple majority of treaty members and can be taken only once. The options are an indefinite extension, or extension for one or more fixed periods after which the treaty lapses.

The West argues that the NPT has been crucial in curbing nuclear proliferation. Opponents of indefinite extension say the treaty unfairly dis-

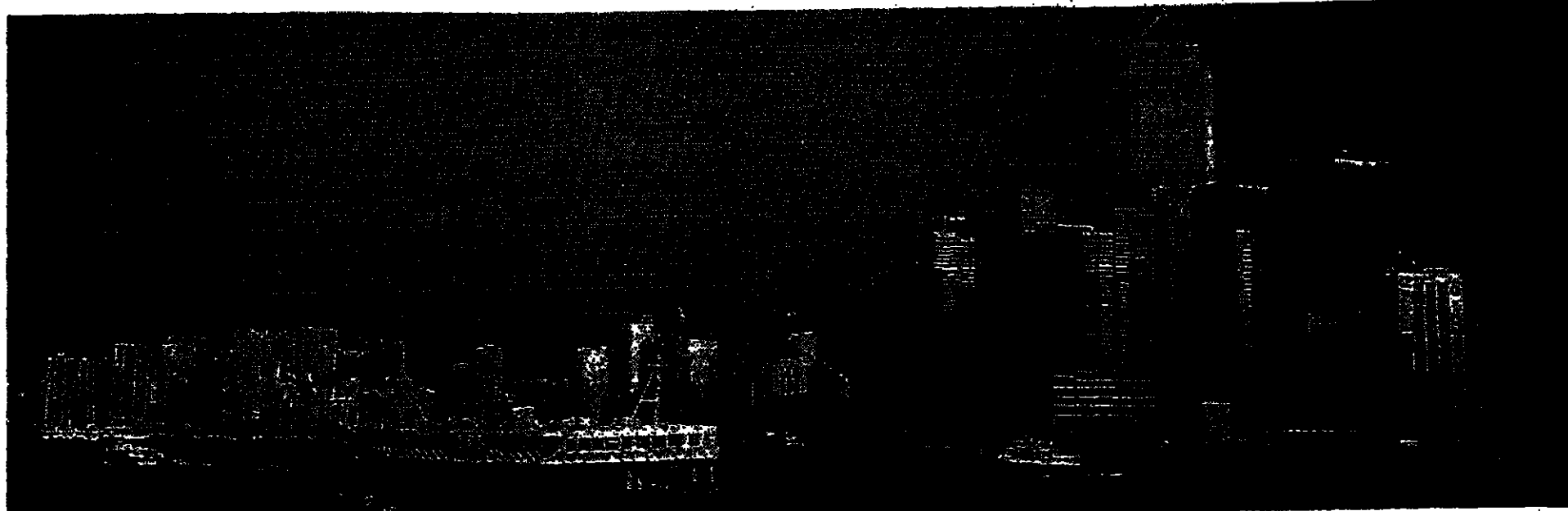
criminate against non-nuclear weapons states and does not provide adequate means to tackle new proliferation concerns.

Critics single out what they see as the failure of the nuclear powers to abide by their NPT obligations to enter "good faith" negotiations to end the nuclear arms race and work for eventual elimination of nuclear weapons.

## A majority of states appear to want only a limited extension of the NPT

A number of developing nations this week called for a strengthening of the non-proliferation regime, to include a comprehensive nuclear test ban treaty (CTBT), a prohibition on production of fissile materials for weapons purposes and a dismantling of stockpiles, guarantees to non-nuclear weapon states that nuclear weapons will never be used against them, and a commitment by the nuclear powers to negotiate the elimination of nuclear arms within a fixed time-frame.

CTBT is being negotiated in Geneva under the auspices of the United Nations disarmament conference, but is unlikely to be ready in time for the NPT extension conference.



ROUGH RIDE: Hong Kong faces a less than easy transition to Chinese sovereignty in 1997

# HK polls: here today, gone tomorrow

Sunday's local elections are under death sentence by China, Simon Holberton writes

Mr Cheung Yik Ming, a 42-year-old accountant, is standing at the corner of Nelson and Reclamation streets in central Mong Kok, Kowloon. It is early in the morning and he is reciting his election pitch into a microphone connected to a small amplifier and speakers in a wire shopping trolley.

Few passers-by stop to listen to him as he speaks about the poor public hygiene in Mong Kok, its inadequate water supply, and the prevalence of crime in the neighbourhood. Yet, like other candidates in Sunday's local elections throughout Hong Kong, Mr Cheung tells the voters that he can make a difference to their lives.

The election is the first fully-democratic poll in Hong Kong since Britain colonised this tiny corner of southern China 150 years ago. It is also likely to be among the last. Sunday's poll is being held against China's expressed wish and under sentence of annulment, come the Chinese takeover on July 1, 1997.

Beijing demonstrated graphically earlier this week its power to hold up

the development of Hong Kong's port (the world's busiest) simply by calling for the election of the Jardines group, the British trading house, from a consortium building the facility. Yet its promise to overturn the result of Sunday's poll has had surprisingly little impact on people waiting to stand for election or, if opinion polls are reliable, on the voters as well.

In all, 756 candidates are contesting 345 seats in the colony's 18 district boards, including many supporters of Beijing. The DBs, as they are known, are like a secular parish council advising a "district officer" who holds all local decision-making power. This has not, however, made the DBs irrelevant. It has simply meant that the role of members is more social worker than political leader, although a stitch in the local district is seen as a paving-stone for higher elective office.

In spite of Beijing's threats, Mr Wong Che Ming, a lawyer, sees no conflict in his role as an appointed adviser to China on local affairs, and as a candidate for Mong Kok in Sunday's poll. "We can't stand still sim-

ply because someone has threatened to demolish the whole system," he says. "I still have something to do, to achieve. Two years is a long time in a place like Hong Kong."

Mong Kok is not the sort of place western tourists frequent. It has the distinction of being the world's most densely populated urban area. It houses 96,650 people per square kilometre, against the average for Hong Kong of 5,280 a sq km. With that population density go all the problems of crime and social deprivation which Mr Wong, Mr Cheung and Mr Ng Wing Fat, candidate for the avowedly pro-democracy United Democrats, tell the voters they can ameliorate.

The building housing Mr Ng's campaign HQ, on the corner of Shanghai and Arden Streets (the Scots presence in the colony not being confined solely to Jardines and the upper echelons of the Hongkong and Shanghai Bank), is a microcosm of the community. Within its walls are a Baptist church, a karaoke bar, a sauna and various trading companies.

Mr Ng, an earnest town planner

seeking election for the first time, explains that the building is relatively safe, mainly because the triads, the Chinese version of the Mafia, run the Kung-OK Bar. "With the triads running the bar, we have no robberies in this building," he says.

A short walk from his office is a 16-storey apartment block. A 400 sq ft flat in the building sells for about HK\$1.5m (\$126,000), but that is the least of the occupants' problems. Some 100 people live on the roof in what the Hong Kong government calls "illegal structures" which house mainly mainland Chinese immigrants who do not qualify for public housing and which sell for about HK\$150,000 each.

Mr Ng says his task is to intercede on behalf of these people with the building's management company and the government. The water and electricity used by the 30 or so families living on the roof is illegally siphoned off the supply to the building. Poor plumbing has already caused the failure of one lift because of seepage into the elevator shaft.

Intercession, with government or landlord, is also one of the main tasks Mr Wong has performed since he was first elected to the Mong Kok district board in 1985. He also spends a lot of time advising people how to do things, such as organising a tender for repair work to an apartment building and supervising the work. "You can actually achieve something," he says.

In his campaign literature, Mr Wong makes a point of the fact that he is an elected member of the Mong Kok district board. This raises the question, given his status as a China adviser and Beijing's preference for the appointment, why it is worth drawing attention to.

"It would help my campaign to point out that I had been elected," he says. "People will take note. It would mean I had not come by my position easily, but from hard work."

But as if to underline the irrelevance of Sunday's vote, Beijing let it be known a week ago that it will shortly appoint a further 200 local advisers to keep it abreast of the concerns of people at the grass roots.

# North Korea seeks fresh pay-off

North Korea wants several billion dollars' compensation for nuclear research and costs if it agrees to US demands to shut down its reactors, a senior Pyongyang negotiator said yesterday, Reuters reports from Berlin.

The compensation would be in addition to international financing for a US plan to lower the risk of Pyongyang building nuclear weapons by giving North Korea new nuclear power technology.

North Korea's delegation leader, Mr Kim Jong-u, speaking after five days' talks in Berlin with US experts, said there had been no agreement on the financing demands.

"Details of that will be discussed at higher level talks," he said. "The two sides plan to resume talks in Geneva on September 23."

"There are two types of compensation," Mr Kim said. One type would be for buying new foreign-made light-water reactors and another would be "compensation for electric losses and investment after 30 years" of nuclear research and power generation.

Asked how much North Korea wanted for its investment costs, Mr Kim said: "Several billion US dollars".

The US has divulged nothing about the progress of the negotiations, billed as "technical" talks as a branch of the main

Geneva negotiations on ending a nuclear dispute between the two countries.

Washington wants communist North Korea to switch from its graphite-moderated nuclear reactors that would be financed and supplied by a US-led international consortium.

Mr Kim said his country wanted to increase its reactor capacity to a total of 1,550MW by the year 2002. But he repeated Pyongyang's rejection of light-water models offered by rival South Korea, saying they were not advanced enough.

"The right for the selection of light-water reactors is in the hand of DPRK," he said, referring to the North's full name of Democratic People's Republic of Korea.

The North Koreans say they are interested in technology from Russia or the German company Siemens.

"Whether South Korea is to finance the project or not we are not concerned," Mr Kim said.

In parallel with the Berlin talks, the two countries were discussing in Pyongyang the establishment of liaison offices in their respective capitals.

In talks with the US in Geneva last month, North Korea agreed to suspend its nuclear programme while the two sides negotiated.

# Nigeria surveys the wreckage

The end of the oil strike has lifted a cloud, but what is revealed are the conditions for continued economic gloom, writes Paul Adams

Nigeria's economy is quick to bounce back from adversity, but while business is back to normal after a two-month oil strike, few captains of industry are celebrating and most are bracing themselves for more shocks.

The end of the strike has lifted a cloud only to reveal the wreckage.

Big manufacturers estimate that they lost the equivalent of six weeks' business to the strike, which brought together industrial, ethnic and political grievances in a trial of strength between a military government dominated by northern interests and the economically dominant south.

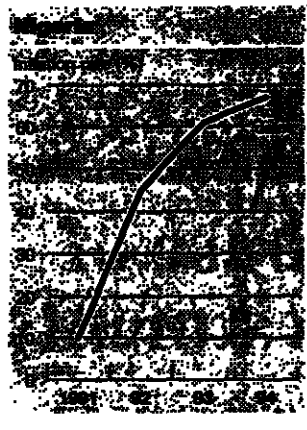
UAC, Nigeria's leading conglomerate, posted half-year results 17 per cent below forecast.

"Economic policies here are giving the wrong direction to the rest of the world. Unless there are changes we are heading for economic calamity," says Mr Christopher Kolade, chairman of Cadbury Nigeria, a leading food manufacturer.

"Even though people are back at work, business needs to regain a basic level of confidence that the situation is settled," says Mr Kolade.

While the ports and the banks were closed during July and August, manufacturers could not clear goods through the ports and imports had to be unloaded in neighbouring Benin or Ivory Coast.

The delays and added costs of imports are hitting hard in



the depressed consumer industries. Breweries and soft drinks manufacturers estimate that sales are still 25 per cent below levels in June and are relying on a good pre-Christmas season.

Structural problems of the past four years - high government deficits, reliance on oil for nearly all foreign currency and industry's dependence on imported supplies - are compounded by harmful economic policies and an unstable political outlook.

Nine months after the military government re-introduced state controls on the private sector, industry faces a period of low demand, low investment and high inflation.

Nigeria's economic policies have brought the censure of the World Bank and indifference from bilateral creditors, but no prospect of badly needed aid or debt relief.

General Sani Abacha's

regime overcame the recent challenge by opponents of military rule not by persuasion but through a show of force, leaving deep distrust and ethnic divisions. He has won Round One in the struggle to stay in power but few analysts doubt that Round Two is coming.

If the regime is dismissive of political opposition, it seems deaf to criticisms of its economic policies.

After regulations fixing foreign exchange rates in the January budget, the formal private sector pinned its hopes on a policy reversal; when a mid-year budget review produced no changes and the political crisis brought the economy nearly to a standstill, business leaders wrote off 1994 as a bad year.

Among the big companies, the fittest will survive but, outside the oil sector, the political and economic risks in Nigeria offer more incentives to short-term traders and speculators than to long-term investment.

"What we wanted to see from the budget review was firstly a more liberal foreign exchange and interest rate policy," says Mr Benson Nkoko, chairman of UAC Nigeria. "Fixing exchange and interest rates without any control over the demand was unwise."

Electricity supply is unreliable so companies use diesel generators. During the oil strike fuel costs went up between 300 per cent and 500 per cent.

The outlook for the oil indus-

try is better but the government's failure to pay its 60 per cent share of the industry's costs has led to under-investment and job losses.

Even after cutting their 1994 budgets, the multinational oil companies which operate the joint ventures in Nigeria have been owed at least \$900m by the state this year.

Nigeria's lack of access to capital in holding up some big projects. A \$500m investment to produce gas which is currently wasted at Chevron's Escravos fields is in doubt because Nigeria depends for its majority share of the funding on the World Bank, which is critical of Nigeria's economic management.

A \$40n investment, the much-delayed liquefied Natural Gas project at Bonny, hangs in the balance as Nigeria tries to convince export credit agencies such as the US Eximbank that it is an acceptable country risk.

Mr Ng will need all the help it can get from oil exports. The government promised in January a balanced 1994 budget, but then announced for the first half of the year a budget deficit of \$1.6m.

Western economists believe this figure was on the low side and are forecasting a deficit heading towards last year's figure of more than \$40n or 17.5 per cent of gross domestic product. Inflation is nearly 70 per cent and accelerating while economists predict negative GDP growth of around 1 per cent by the end of the year.

# Sri Lankan PM tries to end war

By Mervyn de Silva in Colombo and Stefan Wagstyl in New Delhi

Peace in the civil war in northern Sri Lanka would bring economic as well as political, social and humanitarian gains, the government's newly-appointed chief economic adviser said yesterday.

"We have to end this war, and the prime minister is absolutely right in tackling that problem first. Apart from the many other obvious reasons for ending this harrowing divisive conflict, it makes sense economically," Mr Lal Jayawardena, who this week joined the administration of Mrs Chandrika Kumaratunga, the recently-elected prime minister, said.

Mrs Chandrika has offered to negotiate a peace settlement with Mr Velupillai Prabhakaran, leader of the Tamil Tigers, the separatist guerrillas fighting for an independent

homeland for ethnic Tamils since the mid-1980s.

Mr Jayawardena said Sri Lanka was spending about Rs200n (\$262m) a year on the war, the equivalent of 4 per cent of GDP, plus a further Rs20n on war-related problems such as refugees. The peace dividend could be quite substantial, he said.

Mr Jayawardena, a former treasury secretary, ambassador and academic, also dismissed suggestions that left-wing members of Mrs Kumaratunga's centre-left coalition government could force the adoption of socialist policies. The government would not change the previous conservative administration's labour policies, nor would there be any nationalisation or expropriation of private property.

The government was committed to export-led growth, including export-oriented services such as financial and shipping services, he said.

# US exits Somalia

The American flag was lowered over the US liaison office in lawless Somalia and the last marine guards left yesterday in a low-key final act to 21 months of American intervention, Reuters reports from Mogadishu.

An estimated 55 US marines flew by helicopter from the US liaison office in the UN compound in Mogadishu where they left aboard a white UN plane for Mombasa, Kenya.

The subdued departure contrasted with the troops high profile landing on the beaches of Mogadishu in December 1992. As the US prepares for a possible Haiti invasion Somalia remains in chaos under clan warlords.

US intervention came unstuck in an undeclared war last year against militias loyal to Mohamed Farah Aideed which prompted President Clinton to order the pullout.

John Lloyd in Bishkek tells of MPs' warnings of democratic developments at least threatened, at worst crushed

# Kyrgyz fear their tiny nation will fall into iron hands

If the development of democracy in Kyrgyzstan has been threatened by the president's taking almost complete control over the country, the chances of its taking hold in the other former Soviet states of Central Asia are remote, and the "realists" who increasingly claim it is not on offer anywhere in the post-Soviet world will add another scalp to their belts.

Kyrgyzstan, whose population is small, natural resources minor and weight in the world negligible, had the highest hopes, mainly because in President Askar Akayev it had a head of state who encouraged these ambitions.

In a series of speeches, he established the image of an administration which, in contrast to the other four states in the region, was determined to embed the rule of law, to ensure press freedom and

establish a fully functioning civil society.

Largely for these reasons, the international financial institutions have committed more funds per head to Kyrgyzstan, in the form of support of the currency, assistance for restructuring the agrarian and industrial sectors and humanitarian aid, than to any other of the post-Soviet states.

Thus, the country largely owes its present living standard and future success in restructuring its economy, and its abiding commitment to democratic development to foreign support. But on Tuesday the Kyrgyz parliament heard speaker after speaker warn that democratic development was at least threatened, at worst crushed.

The cause was a series of moves either by Mr Akayev or attributed to him. First, the parliament was inquorate: only

125 deputies out of 323 were present. The rest, it was said, had been induced to stay away until a new parliament was created. Anticipating such a result, the president had asked the government to resign, arguing it had to do so because the constitution specified it could not outlast the parliament. He had called elections for a new parliament on December 24.

This would be preceded by a referendum on October 22 to pass a constitutional amendment specifying a bi-cameral parliament of less than 100 full-time MPs. The session was the last futile meeting of a doomed institution.

Further, the deputies argued that the president or his administration were afraid of allegations which would have been made of corruption, and that since the legislature had been suppressed, the constitu-

tional court not been appointed, and the executive under his control, President Akayev was on his way to being an autocrat.

Further, three of Bishkek's newspapers did not appear that day. Svobodny Gori (Free Hills), had been suppressed some weeks before by order of the procurator after an appeal to him by the president. The other two, Politika and Ras Publica, were more recent casualties.

Bishkek is in the midst of its latest wrenching change, having been carved out of tribal societies by Soviet power in the 1920s. Its industrial output has fallen since the Soviet Union collapsed, dragging gross domestic product down by 19 per cent in 1992 and 16 per cent in 1993, with a similar fall expected this year. "We supported democratic reform," said a caller to a television

phone-in to President Akayev. "But give us the elementary conditions for living. Pay wages and pensions on time."

The small diplomatic community in Bishkek is concerned. For the envoys there, who have persuaded their governments that this was an area of open development, a wobble by Mr Akayev is a serious matter. They can find no good reason why he has forced a parliamentary crisis now, when parliament would have been dissolved next March. They fear a turn towards the authoritarian rule evident in neighbouring Uzbekistan and Turkmenistan.

In an interview, Mr Akayev repeated his continuing dedication to democratic development.

The economy was showing real signs of recovery, he said. Inflation was the lowest in the Commonwealth of Independent

States, at 1.7 per cent a month; the som, introduced in May last year, is the most stable currency, at 10.7 to the dollar.

Farm reform had gone furthest, with most state and collective farms probably liquidated, and private farms showing signs of higher output. Most small businesses were also private. Real incomes were rising and foreign investor confidence increasing.

Until the end of the year, President Akayev will indeed be the only figure of authority. His claim that democracy is not just being preserved but deepened cannot be judged until the referendum and the elections have happened, and properly.

On that depends his economy, his reputation, and the hope that Central Asia is not doomed to be ruled by iron hands.





# Latin American trade gap to widen further this year

By David Pilling in Santiago and Stephen Adler in London

Latin America's trade deficit will widen further this year as growth of imports outpaces export expansion, the UN Economic Commission for Latin America and the Caribbean (Eclac) says today.

Publishing preliminary estimates of the performance of Latin American economies, Eclac said it expected the region's exports to grow by 9 per cent this year, with growth mainly due to the recovery in prices of primary exports, which had fallen for five successive years.

However, the recent tendency for imports to grow at a faster rate continued: this year imports are expected to grow by 12 per cent, leaving a widening trade deficit.

Higher US interest rates have also increased the sums paid out by Latin countries in interest and profit remittances.

These payments are expected to rise from \$31bn to \$34bn, which will produce a regional current account deficit likely to widen from last year's \$45bn to around \$53bn (\$34bn) this year.

However, amounts of foreign

capital approaching the record levels of the previous two years - an estimated \$55bn - will continue to flow into the region to finance this deficit.

Although the number of Latin bond issues has fallen this year because of political instability, other types of capital inflow - in particular, direct investment and foreign share issues - should nearly

Peru is expected to be the most dynamic regional economy this year, with growth of 8 per cent

compensate, the agency said.

Foreign debt for the region is likely to rise in nominal terms by 4.5 per cent from last year's \$497bn. However, because of export expansion, the ratio of debt to exports should drop from 300 per cent in 1993 to 285 per cent this year.

The region will continue to grow "moderately" in 1994, with average growth rates of just above 3 per cent, the preliminary estimates suggest. To judge from first-half data, Peru is expected to be the most dynamic regional economy this

year, with growth of about 8 per cent, followed by Argentina at 6.7 per cent. Bolivia, Chile, Colombia and Costa Rica are all expected to boost gross domestic product by between 4 and 6 per cent.

Regional laggards include Honduras and Haiti, both expected to record negative growth. Venezuela, which is battling a financial crisis, is

single out as the worst performer, with a likely fall in GDP of 4.5 per cent. Although Mexican GDP is expected to rise by only 2 per cent this year, the result is seen as positive in view of last year's near-zero growth. The start-up of the tripartite North American Trade Agreement, the improvement of the US economy and the depreciation of the peso are noted as contributing to the improved performance.

In spite of the generally encouraging regional performance, Eclac cautions that "in the majority of countries, investment ratios are not sufficient to sustain faster growth in the long term". Chile, with an investment rate above 27 per cent, is one of the principal exceptions.

Eclac points out that, because of expanding populations, per capita growth throughout Latin America will average only 1 per cent. The first half also saw "new progress" in the reduction of inflation, which Eclac describes as "one of the most important achievements in Latin America of the last decade". Regional inflation, which averaged 49 per cent in 1991, was down to 16.5 per cent for the 12 months to August. Argentina, Bolivia, El Salvador, Mexico and Panama are all expected to record single-digit inflation this year.

The fate of Brazilian inflation, which reached 2,500 per cent last year, hinges on the success or otherwise of the recently introduced Real currency. Venezuela is again seen as going in the wrong direction - the 12-month inflation rate to August was 68 per cent, compared with 46 per cent at the end of 1993.

## Decision may hit Oliver North's hopes and let Democrat in Wilder quits US Senate race

By Jurek Martin in Washington

Mr Douglas Wilder yesterday abruptly dropped out of the US senate race in Virginia, thus probably reducing the chances of victory for Mr Oliver North, the Republican candidate.

The former Democratic governor, who was running as an independent, declined to endorse Senator Charles Robb, his long-time rival, in the November 8 election.

But his departure from the race leaves Virginia's Democrats with the alternative of voting for Mr Robb or not at all. Had Mr Wilder stayed in, recent polls have suggested that Democratic divisions might have been enough to hand the race to Mr North, in spite of the presence of a second independent candidate, Mr Marshall Coleman, a former Republican state office holder.

Mr Wilder's decision will come as an enormous relief to the White House and the national Democratic party, which is threatened with loss of control of the Senate. Virginia was among the 8 to 10 endangered seats that have threatened its 56-44 majority. Senior Republicans, including Senator Robert Dole, have begun to rally behind Mr North, setting aside reserva-



Wilder: "Fold 'em"



Robb: indiscretion



North: backed by Dole

tions about his criminal conviction, overturned on a legal technicality, in the Iran-Contra affair while serving on President Ronald Reagan's national security council.

Mr Wilder's statement, quoting a well known song, said: "I know when to hold 'em and I know when to fold 'em." It said, in effect, that he had concluded he could not win and that his low standing in the polls made it difficult to generate finances for his campaign. Two local polls this week underlined his problem. The

first gave Mr Robb 33 per cent, Mr North 28 per cent and Mr Coleman 15 per cent and Mr Wilder 12 per cent, with the balance undecided. The second had Mr North in the lead with 34 per cent, followed by Mr Robb at 31 per cent, Mr Wilder 13 per cent and Mr Coleman 10 per cent.

There may now be some pressure on Mr Coleman to withdraw to clear the field for the two main candidates. But his principal sponsor is Mr John Warner, Virginia's Republican senator, whose consent for Mr North and his

right-wing supporters is such that he persuaded Mr Coleman to run.

The Robb-Wilder feud, a feature of Virginia politics for years, was behind Mr Wilder's decision to enter the Senate race shortly after his term as governor expired in January. It reached fever pitch two years ago when it was disclosed that the senator's aides had been bugging the governor's car telephone. Subsequent admissions by Mr Robb of sexual indiscretion did little to help his image.

## Mexicans plan talks on political reforms

By Ted Bardacke in Mexico City

The Mexican government and the country's main political parties are close to starting talks aimed at further political reform and paving the way for a smooth transition to power by Mr Ernesto Zedillo, victor in last month's presidential elections.

Legislators from the ruling Institutional Revolutionary party (PRI), National Action party (PAN) and Party of Democratic Revolution (PRD) agreed yesterday that "the time has come for the reign of mistrust to be transformed into serious and open political negotiations."

In a separate meeting, Mr Jorge Carpizo, the interior minister, and the six "citizen representatives" who control the Federal Electoral Institute resolved to push for a "definitive" political reform that would include new rules for elections as well as changes in the relationship between the government and the PRI.

These moves follow statements by outgoing President Carlos Salinas welcoming a call by the leftist PRD for a national dialogue before the country's electoral college meets in the last two weeks in October to ratify Mr Zedillo's electoral victory.

A government official said issues such as making the electoral authority independent of the presidency and setting new rules for campaign spending and media access were relatively easy to resolve and that the sticking point was "how to get the parties to the table".

Setting his conditions for dialogue, Mr Zedillo said yesterday that if his party agreed to a sweeping political reform, the opposition parties must reciprocate by legitimising his victory in the electoral college. Mr Zedillo hopes the PRD will recognise his victory so that after he becomes president in December he can avoid the antagonism that has persisted between Mr Salinas and the opposition.

The PAN and the PRD want ruling party victories in some local elections to be overturned, notably the mayoral race in Monterrey and the gubernatorial race in the state of Chiapas. This would be a sign that the government is serious about political change, the parties say.

In addition, the PRD wants a clear sign that concrete mechanisms to separate the ruling party from the state will be discussed.

## Peru may settle ship debt with banks

By Sally Bowen in Lima

An important barrier between Peru and its commercial banking creditors may be lifted soon. A congressional commission investigating a long-standing government debt with Chemical Bank and American Express Bank has recommended it should be recognised and, by implication, settled.

The controversial debt is small in money terms - some \$36m principal, now worth perhaps twice that with unpaid interest - but large in political significance. It arose in 1981 when the state shipping line CPV bought two cargo ships which proved virtually unusable. Chemical and American Express financed the purchase under a leasing agreement.

Alleging irregularities, President Alan Garcia's 1985-90 government refused to recognise the debt, a position initially assumed by current President Alberto Fujimori. But the City-backed advisory committee which represents some of the biggest of Peru's more than 200 commercial banking creditors, has insisted the debt be settled before negotiations are opened.

The commission found "no evidence that the entities which financed the operation acted irregularly". Blame was laid at the doors of CPV officials and former ministers.

Peru's congress still has to ratify the commission's recommendation. But, assuming the government majority has its way and the administration then accepts the decision to pay, long-delayed renegotiations over Peru's \$7bn debt with the commercial banks should soon be under way.

## Fears over Cuban influx

The Cayman Islands is facing a crisis over the British colony's inability to deal with almost 1,000 Cuban refugees, and there are fears that the territory's stability could be harmed by refugees' reaction to a plan to repatriate them, according to government officials, *Canute James* reports from Kingston.

Britain has sent hundreds of camp beds to the islands, where the administration is awaiting security assistance from the US to deal with the refugees. The leader of a Cuban-American group is asking the British government to prevent the repatriation of Cubans by the Caymanian authorities.

## Inventory growth falls

US business inventories grew more slowly in July than expected, offering some evidence that the economy may be moving to a slower pace of growth without an abrupt downturn in output, *George Graham* writes from Washington.

The Commerce Department said inventories rose by 0.3 per cent in July, the fourth month of increase in succession but at a much slower rate than the average 0.7 per cent a month recorded in the second quarter. Most financial market economists had predicted they would

continue at that rate. Although businesses have been increasing stockpiles this year, inventory-to-sales ratios have been very low. In July, inventories rose to represent 1.42 months of sales, still a level at which retail sales would be expected to feed through into new orders.

At the same time, a regional survey by the Federal Reserve Bank of Philadelphia showed manufacturing activity continuing to expand this month, despite some signs of weakening in shorter delivery times and lower unfilled orders.



If the rainforests are being destroyed at the rate of thousands of trees a minute, how can planting just a handful of seedlings make a difference?

A WWF - World Wide Fund For Nature tree nursery addresses some of the problems facing people that can force them to chop down trees.

Where hunger or poverty is the underlying cause of deforestation, we can provide fruit trees.

The villagers of Mugunga, Zaire, for example, eat papaya and mangoes from WWF trees. And rather than having to sell timber to buy other food, they can now sell the surplus fruit their nursery produces.

Where trees are chopped down for firewood, WWF and the local people can protect them by planting fast-growing varieties to form a renewable fuel source.

This is particularly valuable in the Impenetrable Forest, Uganda, where indigenous hardwoods take two hundred years to mature. The *Markhamia lotoea* trees planted by WWF and local villages can be harvested within five or six years of planting.

Where trees are chopped down to be used for construction, as in Panama and Pakistan, we supply other species that are fast-growing and easily replaced.

These tree nurseries are just part of the work we do with the people of the tropical forests.

WWF sponsors students from developing countries on an agroforestry course at UPAZ University in Costa Rica, where WWF provides technical advice on growing vegetable and grain crops.

Unless help is given, soil is exhausted very quickly by "slash and burn" farming methods.

New tracts of tropical forest would then have to be cleared every two or three years.

This unnecessary destruction can be prevented by combining modern techniques with traditional practices so that the same plot of land can be used to produce crops over and over again.

In La Planada, Colombia, our experimental farm demonstrates how these techniques can be used to grow a family's food on a small four hectare plot. (Instead of clearing the usual ten hectares of forest.)

WWF fieldworkers are now involved in over 100 tropical forest projects in 45 countries around the world.

The idea behind all of this work is that the use of natural resources should be sustainable.

WWF is calling for the rate of deforestation in the tropics to be halved by 1995, and for there to be no net deforestation by the end of the century.

Write to the Membership Officer at the address below to find out how you can help us ensure that this generation does not continue to steal nature's capital from the next. It could be with a donation, or, appropriately enough, a legacy.



WWF World Wide Fund For Nature (formerly World Wildlife Fund)

International Secretariat, 1196 Gland, Switzerland.

FOR THE SAKE OF THE CHILDREN  
WE GAVE THEM A NURSERY.



## NEWS: WORLD TRADE

## £50m UK boost for business in Hanoi

By Our Correspondent in Hanoi

British foreign secretary Douglas Hurd wound up a 24-hour visit to Vietnam yesterday by signing a £50m (\$77.5m) mixed credit package designed to spur British business in a country where he acknowledged British investment had lagged behind.

"Everyone who comes here can see that Vietnam is moving very fast and we are determined to move fast alongside Vietnam," said Mr Hurd, the first British foreign secretary to visit Vietnam. He singled out oil and gas, air transport and banking as particularly promising areas.

The credit deal commits Britain to almost three times the total aid it gave Vietnam from 1990 to 1993. Although he admitted that France, the US, Russia and Japan were ahead in providing Vietnam with much of its infrastructure, Mr Hurd suggested that "historical reasons" explained much of this. He added: "In that sense Britain came late, but is now coming fast."

Britain is the ninth largest investor in Vietnam, with 17 projects worth a total of \$402m. Most of the money is in the oil and gas sector.

Mr Michael Turner, chairman of Commercial Aerospace at British Aerospace and one of eight business people accompanying Mr Hurd on the four-day Asian tour, said Vietnamese air traffic was growing at 38 per cent and that the agreement would help finance the growth of Vietnam's air fleet.

He said he expected to see the delivery of 10 to 15 Airbus A320s to Vietnam in the next 18 months. BAE, a 20 per cent shareholder in Airbus Industrie which produces Airbus aircraft, hoped to sell smaller jets and turbo-propellers for Vietnam's domestic routes, now serviced by ageing Soviet-era Tupolevs.

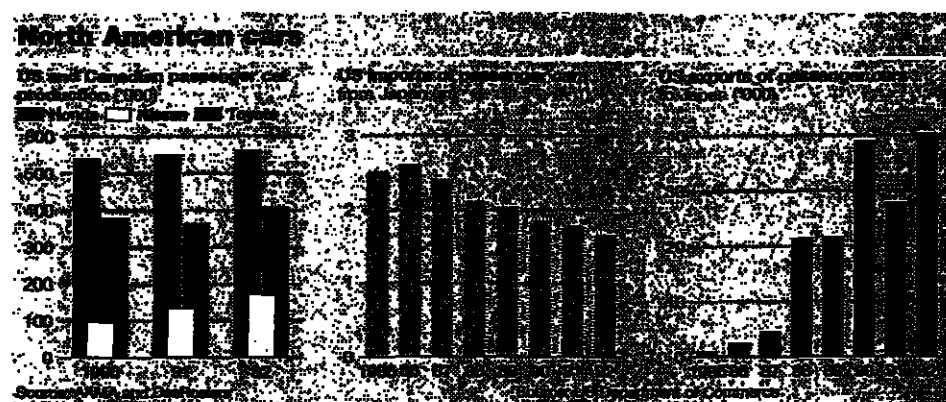
The nation's flag carrier, Victor Airlines, has said it needs 60 to 80 new aircraft over the next decade, and has indicated it will buy rather than lease them. Under the mixed credit deal, signed in principle at the Paris Club donors' conference in December 1993, 35 per cent of the value of British goods and services would be made available to the Vietnamese government as a grant of aid.

The remaining 65 per cent would be financed by export credit loans guaranteed by the Export Credit Guarantee Department (ECGD).

Although no contracts were signed by any of the eight businessmen, Hong Kong and Shanghai Bank on Wednesday received agreement in principle to open a branch in the Ho Chi Minh City in the south. Other companies represented included Costain and Balfour Beatty, which is looking at upgrading the dilapidated railway line linking the capital, Hanoi, with the northern port city of Haiphong.

## Japan car companies seek to make it abroad

High yen and trade rows spur overseas production, writes Michio Nakamoto



North American car production (thousands)

Source: Japanese Automobile Manufacturers Association

Note: 1993 figures are preliminary.

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Note: 1993 figures are preliminary.

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1980-1993

Source: Japanese Automobile Manufacturers Association



## Sales turn downwards in August

By Peter Norman,  
Economics Editor

Retail sales turned downwards last month, prompting some commentators to ask whether Mr Kenneth Clarke, the chancellor of the exchequer, had acted prematurely when he raised bank base rates by a half percentage point this week.

The Central Statistical Office reported that retail sales volumes fell an estimated, seasonally adjusted 0.3 per cent between July and August, confirming a downward trend in the City of a small 0.2 per cent rise.

Volume sales were up 2.9 per cent compared with August last year, registering a sharp slowdown compared with July's 3.5 per cent year-on-year growth and the second lowest annual growth rate this year.

Mr Richard Brown, deputy director general of the British Chambers of Commerce, who was outspoken in his criticism of Monday's rise, said the retail sales data "confirmed the BCC's concerns about the fragility of consumer demand" and underlined the difficulties faced by retailers.

The Treasury, while admitting that the pace of high street activity slackened a little last month, said retail sales volumes were continuing a steady upward trend. One official suggested that the flattening of sales in August could be a sign that growth was becoming better balanced, with exports and investment playing a bigger part in the recovery.

The figures helped ease fears of inflationary pressures in financial markets. Prices of government gilt edged stocks rose, helped by the better tone of US and German bond markets, and the removal of some stock overhangs on the market. The FTSE-100 index also had a better day, closing 32.9 points up, at 3,112.7, after a run of seven consecutive days of decline. Trade, however, was mostly technically driven, with the futures market leading the cash market, ahead of the expiry today of the September FTSE contract.

## Consortia respond on tolls

By Charles Batchelor,  
Transport Correspondent

Twenty nine consortia representing more than 70 companies from around the world have responded to the UK government's call for proposals for an electronic tolling system for Britain's motorways.

Most of the proposals would involve the construction of overhead gantries alongside motorways to read a special unit fitted in a vehicle.

But a small number would depend on the satellite tracking of vehicle movements. Mr John Watts, roads minister said yesterday.

The government hopes to introduce tolls on the 1,900-mile motorway network by 1998. If cars were charged 1.5p a mile and trucks 4.5p this would raise £700m a year

which would be used for road improvements.

The systems which have been proposed will be evaluated over the next four months with the aim of conducting tests on a test track and on motorways during 1995.

The government will then draw up a technical specification of the system it wants and put the contract out to tender in the spring of 1996.

"Any contract we let would be enormous," Mr Watts said. "We want to develop a specification which can be sold around the world."

It is likely that the contract would be let to more than one consortium because of its size. One option under consideration is for the winning companies not to be paid on completion but for them to recoup their outlay on the scheme from the tolls they collect.

Mr Watts denied that the government had ignored criticisms made in a report by the Tory-dominated Commons transport committee which was published last month.

The MPs said the government's arguments for tolls were "unconvincing" and suggested an increase in fuel duty would be easier and cheaper to collect. Mr Watts said the government was considering its response to the report but in the meantime it had to continue with its preparations.

Proposals had come in from companies in Europe, the far east and North America but nearly all of the consortia had a British member. Well over half of the consortia had a strong base in the UK, sometimes through foreign ownership of British companies.

Twenty four of the systems proposed would involve a mon-

itor mounted on an overhead gantry identifying and charging vehicles passing underneath. Most of these systems depend on microwave links but two use infrared and one a laser. These systems could debit a "smart card" or merely record a vehicle for billing later.

Three more companies have proposed satellite-based systems which would debit a smart card and which would not require roadside gantries.

Among companies which have put forward proposals are Unipass, a UK company; a group comprising News Datacom (UK) and CSEE Péage of France; and a consortium consisting of BT of the UK and AT/Comm a US manufacturer. Road Radio, part of Road Electronics has devised an automatic number plate recognition system.

## Britain in brief



### Durex in stock code agreement

LRC Products, manufacturer of Durex condoms, has given undertakings to the government not to enter into agreements under which wholesalers or retailers will stock only LRC condoms.

The company, which has about 75 per cent of the UK condoms market, was asked to give the undertakings by Sir Bryan Carsberg, director general of fair trading, following an investigation into the market by the Monopolies and Mergers Commission earlier this year.

The MMC found growing concerns about Aids since government publicity campaigns began in 1987-88 had created an increasingly competitive market. Its findings prompted the government to lift price controls on condoms last March.

At the same time, however, the MMC found LRC's agreements with three of its customers that they should stock only LRC condoms acted against the public interest, and were attributable to a monopoly situation.

Mr Neil Hamilton, corporate affairs minister, said yesterday he had received undertakings from LRC that it would not give to retailers or wholesalers any material benefit - in the form of special payments or discounts - in return for not stocking condoms by any other supplier.

### GMTV escapes sanctions

The Independent Television Commission decided yesterday not to impose sanctions on GMTV, the commercial television breakfast station on the grounds that there had been a "demonstrable improvement" in its service. As part of its review of the

first year on air of the new commercial broadcaster the ITC judged GMTV's performance to have been unsatisfactory. The Commission said there had been significant shortfalls in the required amount of news, current affairs and children's information and there was also concern about the quality of some strands of programming.

### New orders for engineers

The UK engineering industry is showing a strong upward trend in output levels, new orders and capital investment, though employment levels are still flat, the Engineering Employers' Federation said yesterday.

However, the EEF warned in its budget submission that in spite of the recovery, the industry still needs policy support. The federation is recommending changes to the rules on corporation and capital gains taxes in order to boost investment.

In a new business trends survey of 1,700 of the EEF's members throughout its 13 regional associations, the federation aims to give a "quick and up to date" picture of the industry's fortunes to complement the government's more detailed statistics. In the three months to September, the federation found growth rates in output and new orders are comparable to those last seen in 1987 and 1988.

### IT jobs prove difficult to fill

Thousands of highly paid jobs in the information technology sector are proving difficult to fill following a surge in IT investment by UK companies, according to Visit (Vacancies in Systems and IT) a leading recruitment agency.

Visit, which is organising a recruitment event at the Olympia exhibition centre, West London, at the end of the month, says that exhibitors are seeking to fill over 1,500 vacancies for jobs paying £15,000 to £50,000.

Visit says that the recruitment position has changed quite suddenly over the past three months and is radically different from last year.

### John Lennon tape sold

A brief tape recording of John Lennon singing with his first band, the Quarry Men, at a church social in Liverpool in 1957 sold for £78,500 at Sotheby's yesterday. It was bought by EMI, the Beatles record company, and will go into its archive.

Apart from the interest in hearing Lennon singing the Lonnie Donegan hit of the day, "Puttin' on the Style", the event was momentous for being the occasion when Lennon first met Paul McCartney. The price was well below the £100,000-£150,000 estimate but assessing the value of such an obscure item is difficult.

### 18 companies in coal bids

British Coal's south Wales region emerged yesterday as its most popular bid target as government advisers announced that 18 companies had submitted tenders for the corporation's mining assets to be privatised later this year. Although N.M. Rothschild, advising the government, would not reveal the identity or targets of the bidders, seven companies said they had submitted tenders for south Wales. Bids had to be in by Wednesday afternoon to be considered.

Four companies said they had bid for the central north region and three each for the north-east and central south regions of England and Scotland. However the number of bidders for each region may be higher.

### No surcharge over BCCI

The two officials of Western Isles council who were held responsible for losing £24m in the collapse of Bank of Credit and Commerce International in 1991 are not to be surcharged, Mr Ian Lang, Scottish secretary, has decided. He ruled that surcharging the two men - making them pay a financial penalty for their errors - would not be appropriate in the particular circumstances of the case.

## Lloyd's new plan to collect debts

By Richard Lapper

Lloyd's of London yesterday unveiled details of a new tough commercial approach designed to recover more than £1.3bn in debt owed by its loss-making Names, the individuals whose assets support the insurance market.

The new initiative, originally signalled in the summer, follows news earlier this year of a fourth successive year of loss, when losses of some £2bn were reported for the 1991 year - in line with its three year accounting system.

Although the market is now trading profitably, losses since 1988 amount to more than £7bn.

"Lloyd's duty to all its members, especially to those who have promptly settled their debts, is fairly to pursue those who have not," said Mr David Rowland, the chairman of Lloyd's.

A new financial recovery department will handle negotiations with more than 14,000 Names who owe money.

Those Names unable to pay their debts will still be offered financial support by Lloyd's,

under so-called hardship arrangements.

However the hardship committee, chaired by Dr Mary Archer, is to be abolished and its functions assumed by the new department. Under hardship Names are allowed to retain a modest home (valued up to about £150,000 in London) and an income, typically in the region of some £17,500 for a couple.

Lloyd's has collected about £1bn over the last three months, mostly from some 17,000 Names who continue to underwrite, reducing the amount of outstanding debt to from £2.3bn to £1.3bn. Separately the market has additionally declared losses of some £2bn, which Lloyd's has still to "call" from Names.

The new approach was condemned by loss-makers as "a switch to pressure tactics and deals."

"The object is to extract as much cash from Names as they can be persuaded to part with as quickly as possible," said Mr Christopher Stockwell, chairman of the Lloyd's Names Associations' Working Party, an alliance of hard hit Names.

## Energis targets smaller companies

By Andrew Adonis

Energis, the UK's third long-distance telecoms network, will target small and medium sized businesses when it launches later this month, promising to undercut BT's prices and provide a new range of services.

The company, a subsidiary of National Grid, has built a 3,500km network using the grid's pylons, and claims its network is more modern than those of the two existing long-distance operators, British Telecommunications and Mercury.

The launch of Energis will greatly intensify competition in UK telecommunications, particularly at the lower end of the business market where Mercury has made far less headway against BT. Users with as few as four lines will be approached by the Energis sales force.

Energis intends to guarantee a saving of 10 per cent over BT prices - including volume discounts - to all users. Mercury also trades on lower prices than BT's, but its differential in parts of the business mar-

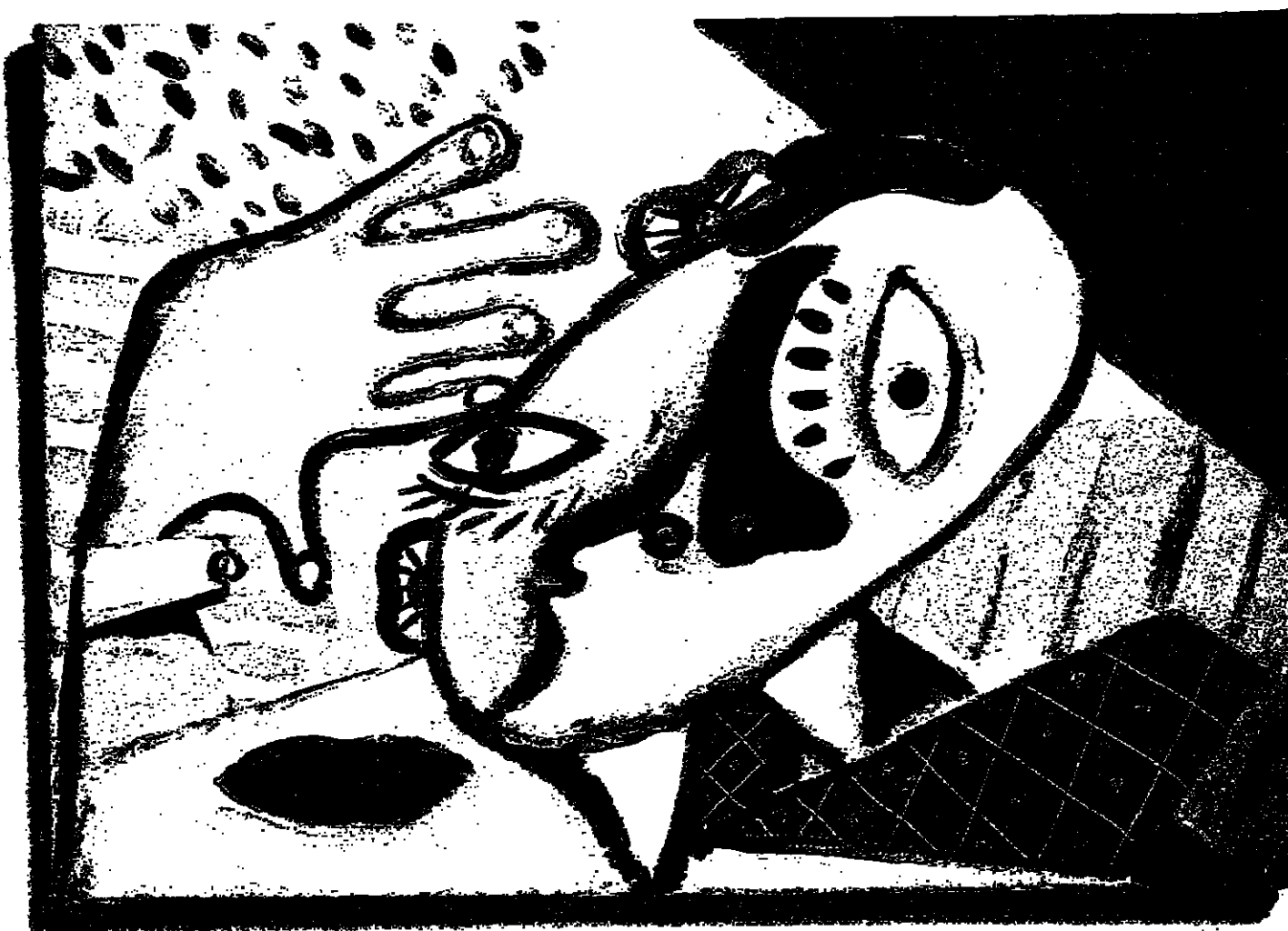
ket is well below 10 per cent.

Energis has signed a preferred supplier agreement with Colt, a US-owned telecoms operator building a network in central London, which will give it access to large businesses in the City. Colt, which already connects 170 City sites, will use Energis for most of its long-distance traffic, while Energis will use Colt for its City traffic.

Energis will offer customers an innovative "telecoms management" service, giving them a month-by-month breakdown of calls made to their premises, including the proportion of calls unanswered and the average time before calls are answered, broken down into periods of the day.

It claims that no such service is currently available in the UK, and believes it will prove popular with organisations keen to track their efficiency at dealing with telephone queries.

Mr David Dey, Energis chief executive and former BT executive, said: "Obviously we have to trade on price, but we will also be offering a range of new services."



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## TECHNOLOGY

Claire Gooding looks at a package that lets accountants take quick stock of client billing

# Pick of a rich software crop

Discard the image of the insular chartered accountant so mocked by Monty Python comic John Cleese. Accountants, among others, are achieving a judicious mix of the personal touch and advanced technology with the help of new "groupware" communications software.

Levy Gee, the London-based accountancy firm, is less conventional than most. It was the first accountancy practice to advertise on the radio, the first to automate timesheets and billing and, it claims, the only one with more personal computers than people. Founded in 1989, the firm employs 260 staff, including 36 partners, served by 300 computers at home and in the office.

Connecting people and computers became a priority once Levy Gee had assembled several software building blocks dedicated to different functions. These included a billing system developed in-house, a packaged accounts system, an in-house system to assess work-in-progress and bills outstanding, plus an "executive information system" to give senior partners screen-based snapshots of the business.

"In many respects the

information as anyone working in the office.

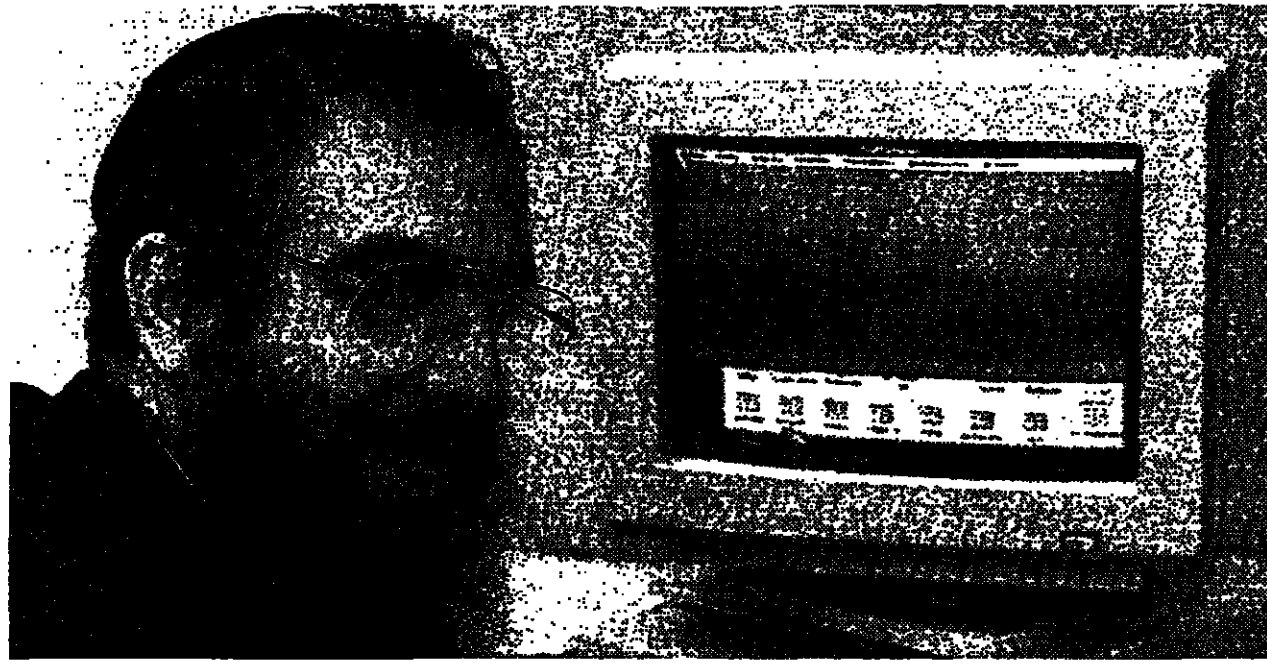
The firm's main client base consists of small, typically family businesses. In the years of recession, its insolvency and consultancy arm has grown and now contributes 30 to 40 per cent of the bread-and-butter income. As well as this "hand-holding" service for companies in trouble, it has extended its activities to risk investigation on behalf of banks and corporate investors. Other activities include offshore services, financial services, a training company and a computer training division.

Levy Gee practised what it preached in the acquisition of a new accounting system, investigating its risks and assessing its functions. But it is the wider environment in which Levy Gee has embedded its accounting which makes it unusual. At the time of choosing its accounting software, the firm was also ready to upgrade its hardware.

While many firms were buying systems (usually the Unix multi-user standard) with a central processor supporting a number of terminals, Levy Gee decided on a PC-based local area network (Lan), linking its partners in the UK and abroad. This was to prove more flexible and expandable, because extra PCs could be tagged on to the system without having a significant upgrade.

It does, however, need expert management. The IT operation is run with six people, supporting six offices linked by high-quality ISDN (integrated services digital network) telephone lines.

Levy Gee's structure was also a factor in the choice of



Up to date: the new system, written as a companion to time billing, enables Jonathon Teller's department to see how much unpaid work is outstanding

accounts package. Each partner runs a separate "department", typically of 20 people or so, and is responsible for the billing and profits of the business. "Each partner has his own fee ledger and manages the costs against it," explains Jonathon Teller, the partner responsible for information technology and finance.

From the moment of recording time worked to the putting out of an invoice, nothing goes on to paper. Clients get a breakdown of where time and costs are incurred. Time is billed in six-minute units and partners can inspect every detail of each itemised invoice.

The work-in-progress system, written as a companion to time billing, enables Teller's department to see exactly how much unpaid work is outstanding. Unlike payables, receivables are managed centrally. "It means you get a feel for the cash flow". A monthly debtors list goes round to the partners.

Work in progress outstanding of more than 45 days is frowned upon, and rarely does it extend to six months.

Levy Gee used to rely on handwritten timesheets, like most other firms. Now part of the assessment of performance is how well a partner and his department keeps up with bill-

ing, says Mullinger. "I think we were among the first to have a system in which every fee-earner input his own time into the system to raise his own billing."

The firm chose the components of its system by first assessing a shortlist of accounting packages which included Tetra, Systems Union, Pegasus, Multisoft and Sky. Flexibility and ease of use were important, with such a wide user base. But the firm says the main criterion was ease of data import and export, and it was on these grounds that the SunSystems package of integrated ledgers from Systems

Union won the contract. Levy Gee became the first user of the Lan-based version of SunSystems, with the SQL version - which allows it to upgrade from the smallest PCs up to large computers without changing software. With SQL, the daily bank balance report that used to take 40 minutes now takes 40 seconds.

The package is portable in that it can run on a variety of PCs. At Levy Gee, it integrates

with Microsoft Office word processing package, Excel spreadsheet, Forest and Trees executive information system (published by ESP of Maidenhead), and the in-house software built for time-recording and billing.

The system operates on Lotus Notes - the communications framework integrating the voice mail system and all textual exchanges between users: forms, letters, E-Mail notes, extracts of accounts, even press cuttings. The company is working towards putting clients and other colleagues on to its own Lotus network. Lotus Notes is "the ideal glue to connect the systems together," says Mark Iwaszko, technical director.

It is clear that anyone joining Levy Gee who is not already familiar with computers must have a hard few weeks getting to grips with everything from Lotus Notes to the voice-messaging system. Notes has become the lingua franca of the company, used for everything from integrating data from the work-in-progress and accounting ledgers, to customising letters.

Notes has provided a discussion platform for ideas and is used to co-ordinate everyday work, such as auditing (audit files are replicated on Notebook computers so that staff working from remote offices can keep in touch with managers, and use the central database for reference and case-history). It acts as a meeting-place

for minds and US colleagues use it as a "noticeboard" for clippings from the US information technology press.

Leon Nahon, a senior partner, also often works at home. Logging on, he is faced with a simple menu offering work-in-progress, time recording, work schedule, electronic mail and voice-messaging.

"The first thing I do is run through the messages and delete what's unimportant, then I check my schedule and get on with it."

As Nahon points out, one of the problems of such a rich choice is that he will never know every function, despite extensive training programmes. "I only send a fax every three weeks or so, and although I know I can do it from my screen, it's quicker for me to ask someone else to send it for me," he admits.

Training staff to use the equipment effectively was one of the hidden costs. The three switchboard staff, for example, have to be as comfortable with a PC as they are with the telephone and the voicemail system. They take incoming calls personally and only then offer the option of voicemail or computer messaging. Clients can choose to dial straight into the voicemail computer.

Levy Gee says its investment of more than £1m in the IT infrastructure over the past three years has been more than offset by the returns in administrative and staff savings.

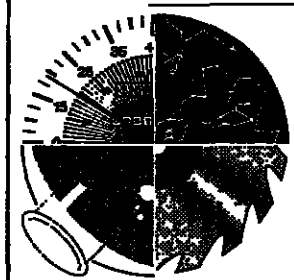
However, Mullinger insists that cost is the least important aspect of the IT initiative. "The systems make our staff more effective," he says. "But we didn't do it just to save on costs. We did it to prepare ourselves for the 21st century. Its real value has been in our competitive positioning."

## AT WORK

English professions have suffered from the prejudice against computers," says Ross Mullinger, head of Levy Gee's information technology consultancy. "We saw that there was an increasing IT input, and that our firm had to be more IT aware and, at the same time, distributed as widely as possible."

There had to be easy communication between all of its six UK offices, and between its UK base and its partners in the US. Many staff work from home and they needed to have as much immediate access to

## Worth Watching · Vanessa Houlder



### Two channels on a single recorder

Arguments over clashing television schedules could be eased by the development of a multiplexer unit for home videos that allows two television channels to be recorded simultaneously. The unit, which combines 3D recording techniques and computer memory chips, allows the user to record over an existing programme without erasing it.

The technology, which was devised by 3D Video Plus, a Kent-based recording technology company, is being marketed by Foxmark International, a Tokyo consultancy.

Foxmark: Japan, tel 3 3578 8400; fax 3578 9011

### Wave goodbye to crackly music

Anyone tired of waking up to scratchy music on the radio alarm clock will welcome a new product by Bose, the Boston-based sound system manufacturer, writes Victoria Griffiths.

The clock radio, the first to make use of "wave" technology, sounds better than most stereo sets. Wave technology filters the sound through a twisted plastic

tube and has inspired the miniaturisation of high-quality speakers. The product was launched in Europe this week, at a cost of about \$500 (£322.50).

Bose: US, tel 508 679 7330; fax 508 872 6541

### New research on proteins

Scientists working for the Medical Research Council's cellular immunology unit in Oxford have found that the interactions between proteins on cell surfaces of the immune system are far weaker than had been assumed.

The research team has been examining proteins, known as adhesion molecules, which are distributed on the T lymphocyte, a white blood cell which patrols the bloodstream looking for viruses, bacteria and foreign materials, known as antigens.

The findings, which were disclosed in this week's *Trends in Biochemical Sciences*, are expected to be important in the design of drugs based on inhibiting adhesion molecules, in diseases such as rheumatoid arthritis where the immune system mistakes the body's cells for antigens.

Medical Research Council: UK, tel 071 636 5422; fax 071 436 6179

### Sending images down the phone

A video modem which will allow colleagues to view graphs and charts during business calls has been devised by Sharp, the

Japanese corporation. Its TelePort video modem allows colour images to be sent and received during a standard telephone call.

The modem, which is connected to Sharp's ViewCam and a telephone line, can be used to transmit live and pre-recorded video stills. The device incorporates a built-in memory capable of storing up to 10 images for transmission at a later date.

Sharp Electronics (UK): UK, tel 061 265 2622; fax 061 265 7076

### Monsanto's \$1m challenge

Monsanto, the US chemicals group, is offering \$1m to any scientist who devises a successful method of separating and recovering ammonia from waste streams containing organic chemicals. Monsanto said the problem was "one of the industry's most vexing environmental questions". Although the mixtures of ammonia and organic chemicals are not necessarily highly toxic, they comprise some of the largest volumes of Monsanto's industrial waste.

Monsanto plans to provide \$500,000 to fund the development of the research proposals which meets the company's criteria in the most cost-effective and commercially practicable manner.

A second \$500,000 will be paid if the research yields a successful process. Proposals must be submitted by the end of the year.

The Monsanto Million Dollar Challenge: US, tel 314 426 6500; fax 314 426 6565

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## EATING OUT IN LONDON

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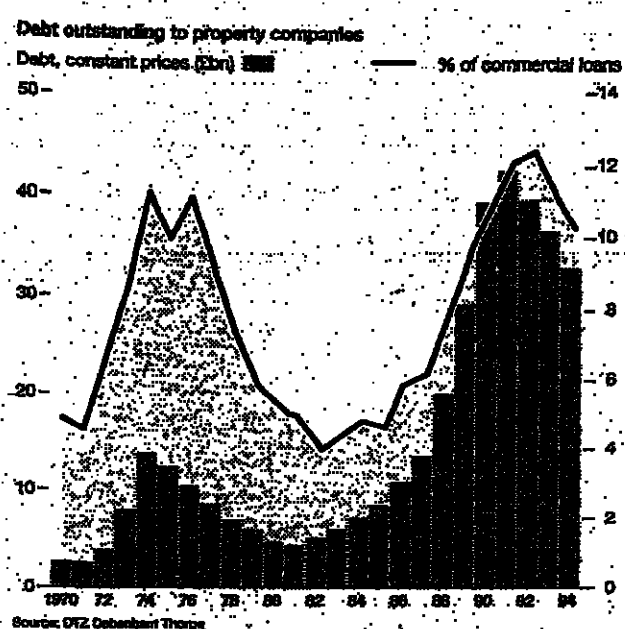
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# Better luck next time

Simon London on whether banks will fuel the property cycle

## The debt burden



the biggest lenders still feel over-exposed.

Barclay's, the most enthusiastic of the clearing banks in lending to property in the late 1980s, had £6.3bn loans outstanding to UK property and construction companies at the end of its last financial year. That was equivalent to 9 per cent of total UK assets - personal as well as commercial loans. With lending elsewhere in the economy still weak, property loans will clearly have to be rationed if that percentage is going to fall.

None of this implies that clearing banks are unwilling to lend to the right customers on the right terms.

"We are active lenders into the sector but in a more selective way, concentrating on relationships where we can do more than provide plain vanilla [no frills] loans," said Mr Ian Marcus, director at Natwest Markets.

Overseas banks - led by the German mortgage banks - took advantage of the clearer's

caution to carve valuable niches for themselves. The number of foreign banks in London lending to property companies has increased further over the past year. Lending margins have already narrowed as a result.

But there is no sign of margins sliding as banks compete aggressively for business. For the moment, at least, the lessons of recession are still fresh.

Banks now recognise that they need to earn a decent return on capital," said Mr Mark Burton of United Bank of Kuwait. "If a bank is taking equity-style risks it should insist on an equity return."

That points to more differentiated pricing, with riskier property companies paying much higher margins than their more established peers.

The cautious attitude of banks towards development finance is also likely to favour the bigger borrowers. While most banks have a blanket ban

on funding speculative developments, they are happy to support such schemes through their general-purpose loans to the big quoted property groups.

The rise of relationship banking is part of the reason. Big property companies will buy other services, such as corporate finance advice or treasury management products, helping the bank to earn its all-important return on capital.

This attitude is in marked contrast to the late 1980s, when banks were happy to back the rise of small, entrepreneurial developers such as Rosehaugh and Stanhope.

How long this mood of caution prevails depends on whether the lessons of the slump are enduring. With the benefit of hindsight it is clear that many banks did not understand the risk they were taking.

A margin of 2 per cent over interbank rates looked terrific back in 1989 because the returns on other types of lending were so low," said Mr Richard Lovell, head of property at Industrial Bank of Japan. "But banks lending 80 per cent of value at the peak of the market were providing risk capital as well as senior debt."

One test will be whether loan-to-value ratios of 60-70 per cent - the norm for investment deals struck over the past year - creep higher. Given the highly cyclical nature of the asset it would probably make more sense for loan-to-value ratios to fall as property prices rise.

Greater understanding between valuers and bankers would probably help avoid the worst excesses of the last cycle. Valuation Guidance Note 12 - prepared this year by the Royal Institution of Chartered Surveyors and the British Bankers Association - replaces "open-market valuation" with a forward-looking "estimated realisation price" (the price that might be achieved if the property was put on the market immediately).

More important, the guidance note suggests that the valuer comments on trends which could affect the realisation price - which should include an opinion on whether the market is heading for a fall.

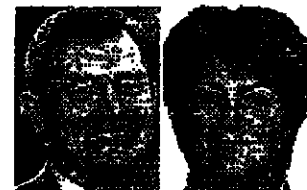
If that provides banks with timely reminders of where they are in the cycle, the wider property market will surely benefit.

## MFI builds its boardroom table

MFI, the furniture retailer floated on the stock exchange two years ago, is shaking up its senior management and appointing its first female finance director.

The announcement was made at yesterday's annual meeting, where MFI gave a very positive statement on current trading. It said that although sales were less buoyant in July, strong turnover in August and September meant sales for the first 19 weeks of the current year were 10 per cent ahead of last year.

Derek Hunt is relinquishing the role of chief executive but remains executive chairman. He will thus have more time for strategy, for example, on investigating opportunities in France, where the 52nd store



John Randall, MFI's first female finance director.

was opened this week. Hunt joined MFI in 1972, and in 1973, as branch operations controller, earned notoriety during the miners' strike by delivering generators to all MFI stores. He became group managing director in 1981, before moving to Asda following the merger with the supermarket group in 1985. He returned to MFI in 1987 to head the £780m management buy-out.

Responsibility for day-to-day management of the business

passes to John Randall (right), promoted from finance director to group managing director.

Randall is to be replaced as group finance director by Sue Murphy (far right), for the past six years finance director of the retail division.

Randall, 48, trained as an accountant at Spillers before joining MFI in 1978. He became finance director of the retail business in 1982, and group finance director in 1987 at the time of the management buy-out.

Murphy, 37, worked previously at Rank Xerox, Overseas Containers, and IBM. She joined MFI in 1984 as a management accountant and in 1985 became chief accountant. She was appointed retail finance director in 1987.

## Leaving the ship of state

P&O, the international shipping company, has acquired a senior civil servant as its new director of corporate affairs in the shape of Peter Smith, principal private secretary to Michael Heseltine, trade and industry secretary since April 1992.

Lord Sterling, chairman of P&O, has long-standing connections with the DTI, having acted for many years as an adviser to the department, and has known Smith for many years.

Smith, 42, will join P&O on September 26 to fill the gap left earlier this year when his predecessor Peter Thomas retired to his native Australia. Lord Sterling is maintaining the link through his senior PR man because Smith, while born in the UK, was brought up in Australia.

In his new role Smith could well find himself exchanging words with his former employer, British shipowners. He has been vociferous in their condemnation of what they see as the government's neglect of the Red Ensign and are continuing to press for tax breaks.

Smith studied philosophy and mathematics at the Australian National University before going on to complete a PhD in philosophy at the University of St Andrews. He has been at the DTI since 1978, working in the fields of overseas trade promotion, industrial policy and company law.

In 1989 he took over responsibility for telecommunications policy and prepared the government's white paper on telecommunications in the 1990s.

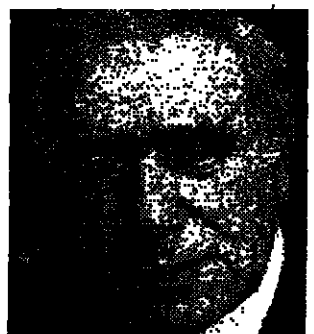
John Featherstone, chief executive of Argus Newspapers of South Africa, has been appointed to the board of INDEPENDENT NEWSPAPERS.

John Langlands, formerly finance director of Eclipsa Blinds, has been appointed finance director of BRITISH POLYTHENE INDUSTRIES.

Jeremy Dawson, md of Rothschild Ventures, has been appointed finance director of REDROW GROUP, of which he has been a non-executive director; he succeeds Paul Pedley who becomes group md.

Roger Thomas, formerly vice-president, Europe for Philip Morris, has been appointed group md and ceo of RIZLA.

## Sir Sydney Lipworth to be chairman of Zeneca



Pharmaceutical company Zeneca has ended a long search for a chairman to replace Sir Denys Henderson when he retires at the company's annual meeting next May. His successor is Sir Sydney Lipworth (above), the former chairman of the Monopolies and Mergers Commission.

Zeneca was demerged from chemicals company ICI last year and yesterday's appointment increases the difference between the two. Sir Denys, currently chairman of both and an ICI man all his working life, is replaced at ICI by Ronnie Hampel, also a company man. South African-born Sir Sydney has been a director of at least six companies, ranging from BAT Industries to J. Rothschild Holdings.

Furthermore, Sir Sydney will be a part-time and non-executive chairman, with Zeneca chief executive David Barnes solely in command.

Sir Sydney, 63, is already a

director since 1982 and will remain on the board.

Beckett has a history of joining boards of troubled companies, often at the behest of institutional investors. However, sources close to Greycoat suggested that the institutions had not played any role in Beckett's latest appointment. He is already chairman of Watts Blake Bearn, Horace Clarkson and Monarch Resources and sits on the boards of several other companies including Queens Moat Houses, Amstar and Ashanti Goldfields.

Floris Maljers, 61, who retired in May after ten years as chairman of Unilever NV, has been appointed a non-executive director of GUINNESS. He already sits on the boards of Philips Electronics, KLM Royal Dutch Airlines, ABN/Amro Bank and Amoco Petroleum (Chicago).

Sir Chips Keswick (below), chairman and chief executive of Hambros Bank, has been appointed a non-executive director of IML.



## COMMERCIAL PROPERTY

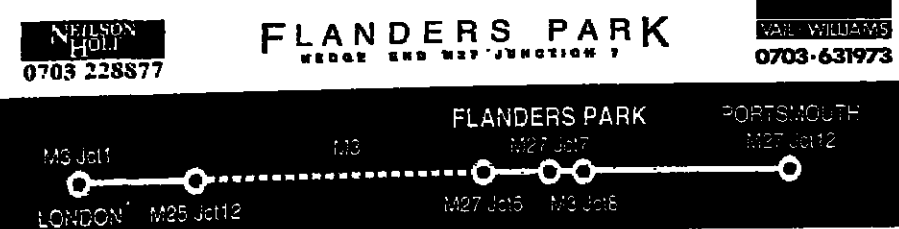
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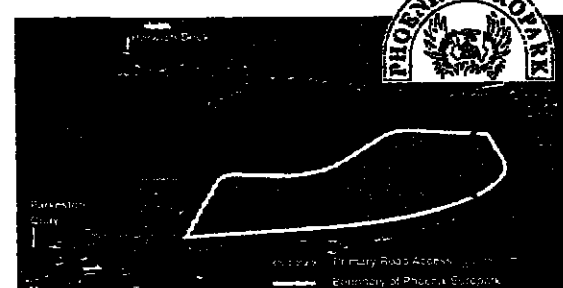
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## CONTRACTS & TENDERS

### City of Westminster

### COMPETITIVE TENDERING OF HOME OWNERSHIP SERVICES

The contract to provide Westminster City Council's Home Ownership Service is to be re-let from 1 April 1995.

The service, currently provided from the Home Ownership Centre in Victoria, London SW1, combines sales administration, counselling and mortgage advice for purchasers under a number of schemes ranging from the Right to Buy scheme for sitting tenants, to a Voluntary Home Sales scheme for first time buyers. The service also provides a cash incentive scheme for Council tenants to purchase on the open market.

Since the City Council launched its home ownership policy in 1973 7,000 sales have been completed, mainly under the Right to Buy. It is anticipated that 400-500 sales and grants will be completed each year throughout the new contract period.

To receive an information pack and questionnaire, interested parties should respond by 7 October 1994, enclosing details of company accounts, to:

Westminster City Council Acting Director of Housing  
83 Victoria Street London SW1 0HW Ref: H/OWN/AN

A short list will be compiled and tender submissions will be invited in due course.

### THE MINISTRY OF ENERGY AND MINES OF ECUADOR & PETROECUADOR

The Ministry of Energy and Mines of the Republic of Ecuador and Petroecuador invite National and foreign companies which are capable of exploring and producing hydrocarbons, to register in order to be pre-qualified to participate in the international bidding round for production and additional exploration of producing fields in Ecuador.

Interested companies can register in person or by Fax at the Marginal Fields Contracting Unit located at: Santa Prisca 223, Y Manuel Larrea, 4th Floor. Tel: (593-2) 584.439/584.860 Fax: (593-2) 582.511. The deadline for registration is September 30, 1994.

Companies that are registered can make an appointment to see the technical data on the fields to be tendered up until September 30, 1994.

## COMPANY NOTICES

### CANADIAN PACIFIC LIMITED

As a meeting of the Board of Directors held today, a quarterly dividend of eight cents (8¢) Canadian per share on the outstanding Ordinary Shares was declared, payable on October 28, 1994, to holders of record at the close of business on September 27, 1994.

BY ORDER OF THE BOARD  
D.J. DEBEN  
VICE-PRESIDENT AND SECRETARY  
CALGARY, ALTA., SEPTEMBER 12TH 1994.

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## MANAGEMENT

Michael Smith looks at the post-privatisation shake-up in the coal industry

# Miner changes

**K**evin Duncalf, underground locomotive driver and loader at Hem Heath colliery, Staffordshire, recalls with frustration his employment at British Coal. "For half the shift I was doing nothing. I used to die of boredom," he says.

Today his work keeps him fully occupied. "I am doing three jobs each day, whereas previously I worked on just one," he says. He is working at the same pit, but with a different employer - Coal Investments, a company which has taken over five former British Coal mines.

Managers say Duncalf is working twice as hard as he used to. While not everyone at the pit has been able to double their productivity, every worker has made some progress, says Coal Investments. The company, in common with most bidders for mining assets, sees fundamental changes in working practices as essential to future success. The findings by Coal Investments and others, at a total of nine mines, are seen as the prelude to full privatisation later this year, when the government will sell off British Coal's remaining 16 deep mines. From a peak of about 1m workers at the turn of the century, just 10,000 underground workers will remain in the industry.

It is inevitable that those remaining miners will be asked to work more effectively and, in some cases, for less pay. Demarcation lines between workers will be eroded and the role of unions will change. Coal Investments' changes in working methods, therefore, may provide an indication of things to come.

The company is by no means anti-union: it has submitted a joint bid with the Union of Democratic Mineworkers in the full privatisation. But it has not negotiated with unions over pay rates at its existing pits and has no plans to do so.

Unions will still be allowed to represent their members, but John Warwick, company production director, argues that the need for unions is limited. "The strength of

unions comes from management abnegating its responsibility. If management is doing its job there is no need for unions," he says.

There are new attempts within the company to build a partnership. Miners are now on Christian-name terms with their bosses, and there is no segregation in the showers, as there used to be, between different ranks of workers.

Improved communications are aimed at further reducing the perceived management-worker divide. Although there are no formalised team briefings, managers are expected to tell the men about share price, unit costs, production figures and development targets, and even the prices of raw materials.

Mitch Lysek, who works on coal-face cutting machinery at Silverdale pit, also in Staffordshire, says: "When I worked for British Coal, I had no idea what the price of materials was. Now I know how much each nut and bolt costs and how much steel is in stock."

With access to this information, managers argue that workers are less likely to waste materials. Says Lysek: "If Coal Investments does not make money then nor do we. British Coal was different because it was a government concern."

The comments come from a man who is no fan of privatisation. But Lysek is learning to live with the new regime. Like locomotive driver Duncalf, boredom is now less of a problem. "Because we have to be more flexible the day goes quicker," says Lysek.

Flexibility also makes it possible for Duncalf and a colleague to perform duties previously carried out by seven men (although the loads handled are smaller). In British Coal days, Duncalf did each of the three types of task, but was able to do just one on each shift. Now, with demarcation lines eroded he can do all three in a single shift and it is easier for workers to call on each other and supervisors for assistance.

But in contrast to the experiences of Duncalf and Lysek are some



Facing the future: changes in working practices may indicate things to come

workers who claim that their work has changed little. "We were already working hard for British Coal. We could scarcely work harder," says one miner.

And some changes have yet to fulfil their potential. In the Silverdale pit a group of three workers operates a tunnelling machine that previously occupied five men. Managers want them to increase tunnelling speed from 3m a shift to 4m.

A few operators appear disgruntled that they are being asked to be more productive for less pay than they earned with British Coal and this could be a potential problem for Coal Investments.

Indeed, miners' money is so far substantially less. Warwick says that some British Coal employees can take home more than £500 a week after overtime and bonus pay. At Coal Investments, which has rationalised 14 British Coal pay rates to four, the gross maximum for miners working a six-day week is about £282.

The company expects to bridge the earnings gap through an

employee share ownership plan, profit-related pay and, when full production starts next year, productivity bonuses. These promises of plenty appear to satisfy most employees who are, anyway, grateful for the chance to be working down a mine again after a spell outside the industry.

Management-friendly comments are predictable at a young company enjoying a honeymoon with its workforce. The real test of the culture transformation claims will come if the company runs into production or marketing difficulties and has to disappoint its workers' expectations of high rewards.

## CORRECTION

Philip Wright, whose comments were reported in an article on Sept 9 ("A special City club"), was not at the time employed at Banco di Sicilia, and is not due to commence employment there until 26 September. Banco di Sicilia is an equal opportunities employer and is in no way associated with the comments made.

# Getting to grips with a killer disease

The incidence of testicular cancer has doubled over the last 20 years, writes Carol Cooper



HEALTH CHECK

When asked to name the commonest cancer in men under 45, most people get it wrong. I concluded at a recent dinner party. My question killed the conversation dead, but it highlighted the importance of testicular cancer.

One man in 450 will develop this cancer before the age of 50 and more than 1,400 new cases are diagnosed in the UK every year. The incidence is even higher in other northern European countries, notably Denmark, Germany, Switzerland, Ireland and Luxembourg.

Testicular cancer is generally treated with a combination of

reluctant to go to the doctor and may have to be propelled into the surgery by wife or girlfriend.

Many men, perhaps believing that the symptoms will go away, leave things too late - over half of all those with testicular cancer present after the tumour has spread. This cancer does not spread to the nearby lymph glands in the groin, but to those around the aorta, deep within the abdomen. This is entirely logical given that the testicle originates embryologically from that area.

In the last 20 years, the incidence of testicular cancer has doubled. It is rising, especially in younger white men and in higher social classes, for reasons which are unclear. Nobody knows the cause of testicular cancer, but risk factors are coming to light.

Until recently, an undescended or partly descended testis was one of the few known causal factors. If left surgically uncorrected beyond the age of 10 or so, this condition roughly triples the risk of testicular cancer - even on the side which appears normal.

Hereditarily appears to be even more important and a history of this cancer in a close relative calls for extra vigilance. Sons of men with the disease are four times as likely to develop it, while brothers of those affected are nearly 10 times as likely to do so.

In the hope of finding a gene for it, a research project is now being carried out into families with two or more members with testicular cancer. Sixty such families have been identified so far in Britain and the Cancer Research Campaign (CRC) and ICRF are on the lookout for more.

Over the years, there have been worries about the possible effect of mumps, vasectomy, injury and heat (especially in the form of tight trousers, hot baths and central heating).

A leading study from the UK Testicular Cancer Study Group looked into the medical and social histories of nearly 800 men with the disease in nine British health regions. The findings were reported in May in the British Medical Journal and this month in

the British Journal of Cancer.

There seems to be no association between testicular cancer and either heat or mumps (even after puberty, when orchitis, as it is known, is more likely). But a history of any sexually transmitted disease appears to double the risk of this cancer. There is also some relation between infertility and testicular cancer, but it is not yet clear whether this is cause-and-effect. Men contemplating vasectomy, however, should be reassured - there is no evidence of a link.

The study suggests that regular exercise could have a protective effect - men who exercise for 15 or more hours a week had a substantially lower incidence. But injury to the testis can double the risk. This could be significant in

**The disease is increasing, especially in younger white men and in higher social classes,**

some sports, although there are not yet enough data on which to base firm advice.

Finally, there is some suggestion that an early puberty is an important risk factor. This ties in with the theory that high levels of gonadotrophin hormones from the pituitary gland may stimulate cells in such a way as to promote cancerous change. And since puberty is occurring earlier these days, often well before the standard age of 14 in boys, it is also consistent with the rising trend in testicular cancer.

However, there is unlikely to be a single cause for this cancer or, put another way, one remains to be discovered.

For more information about testicular cancer, contact ICRF, PO Box 123, Lincoln's Inn Fields, London WC2A 3EX. Tel 071 442 0800.

The author is a London general practitioner.



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# Insurrection at the Bolshoi

The world's greatest ballet company is in crisis. Clement Crisp reports

The news from the Bolshoi Ballet in Moscow has an oddly second-hand air, as confrontation and counter-allegations have been exchanged during the summer between Grigorovich and the theatre's general director, Vladimir Kozlov. These are the high-lights of a very real crisis, the worst for many years in the Moscow ballet's history.

They are, though, par for the course when considering Grigorovich's 30 year tenure as absolute master of the ballet-trope. There have been in the past equally tense confrontations, equally vehement allegations of autocracy, favouritism, and almost any other artistic crime that came conveniently to hand. Maya Plisetskaya, for decades the troupe's most illustrious ballerina, has long inveighed against Grigorovich, as has Vladimir Vasiliev, one of the greatest of Bolshoi stars. Seven years ago, an insurrection was started by Bolshoi dancers dissatisfied with Grigorovich's poli-

cies and the dominance of his ballets in the repertoire, with much coverage of the struggle in the newspapers. I was in Moscow at the time, and one of the ballerinas told me of the alignments of forces, pro and anti, adding "I am one of Yuri Grigorovich's soldiers". Her career depended on this fact.

Yuri Grigorovich has been autocratic in his direction of the company. He said to me once: "I have 250 dancers, and that is 250 temperaments". His view, and in the context of the Soviet society in which he worked it is wholly understandable, was that his decisions must be firm and unchallenged. The pre-Grigorovich Bolshoi, which we saw on its first London visit in 1958, was a marvel, brimming with great dancers, but it was stylistically dated and looked ponderous. Grigorovich, who took command in 1964 at the age of

37, had already produced a series of successful ballets in his native Leningrad. (The first Kirov Ballet season in London in 1961 had shown his stripped-down, innovative *Stone Flower*). As director and chief choreographer at the Bolshoi, such ballets as *Spartacus*, *Don Quixote*, *The Golden Age* and his re-stagings of the 19th century classics, gave the company a leaner, more modern look.

For three decades Grigorovich's Bolshoi triumphed wherever it danced. The flag-ship of Soviet culture. And through the Brezhnev years of "stagnation" and artistic inertia, Grigorovich kept the blood pulsing through the veins of this monolithic organisation. His services to the company, his achievements in the context of Soviet policies towards the arts,

cannot be denied - though his detractors (in the West as well as in Russia) have had a merry and mindless time trying to do so.

But with the crumbling of the old order, with the arrival of market forces and the intoxications of free speech and free travel, Grigorovich's absolutism has seemed more like a relic of bad old days. His company has overthrown stars: such wonderful artists as Maximova and Vasiliev, Baryshnikov and Makhanov, Anisimov, Posokhov, Fedotov, Liepe, have left, and return to their mother stage rarely if at all.

The desperate need to earn foreign currency has sent the troupe on more and more tours, expensive to undertake and prohibitive to watch - and brought the alarming failure of a proposed British visit this summer.

The Bolshoi Ballet, which has just gone into rehearsal for the new season in Moscow, is still Russia's pride, and an example of the highest aspirations of classic dancing, but it is undeniably shaken by events that it seems barely able to comprehend let alone master.

In an intriguing parallel with the drama now playing at the Opera Bastille in Paris, Vladimir Kozlov, the Bolshoi's general director, is seeking to establish control of the theatre's activities through a contractual system which will engage both administrative and performing personnel on a yearly basis. And so serious and urgent is the situation that President Yeltsin is issuing decrees concerning the future running of the theatre, its opera and ballet troupes. The old autocracy is under threat, and with it Grigorovich's power.

What has not gone, and it forms a tragic parallel with so much else in the new Russia, is the other huge problem for the Bolshoi: the lamentable state of the theatre's fabric.

Reports have spoken for years of the subsidence of the building. (There was talk in the mid-90s that the theatre was to be closed for a long period of reconstruction.) The electric wiring is known to be antique and fallible. A Moscow friend tells me that it is now thought unwise to go under the stage. Last summer Yevgeny Rodionov, Russian vice-minister for culture, and Vladimir Kozlov went to Paris to discuss with Unesco the best means of saving the theatre. Thus far we have heard of no immediate remedies for the situation.

The picture for those who love the Bolshoi Theatre and everything it means in ballet and opera, and in Russia's artistic life, is distressing. It seems symbolic of the state of Russia, as it sets about rebuilding itself. And, ironically, what the ballet company needs now is the Grigorovich of 1964: gifted, passionately committed to his art, and able to shape the company for the future.

Opera/David Murray

## 'Tosca' without tears

Puccini's opera is newly produced at the English National Opera by Keith Warner and the American designer John Conklin, not to mention the lighting-man Alan Burrett. "For whom?" might be the question; and the answer might be, "For post-modernists who prefer to have their withers left unwrung."

This is a very cool, knowing production, to the point where the end of each act is graced, gilded or sabotaged (take your pick) by a campy graffiti. At the climax of the Act 1 "Te Deum" the Madonna statue comes to life as the Tosca of Scarpia's lustful fantasies; after she murders him in Act 2, the candles she places early about his corpse are taken from the footlights of the little theatre glimpsed earlier at stage rear (nudge, nudge); and far from leaping from the Castello's parapets to her death in Act 3, she freezes before a soldier's rifle - but behind her a balletic double is seen falling, falling, falling in slow motion.

Each of these Producers' Ideas dampens any sympathetic, suspended-disbelief response pretty smartly. I imagine they were meant to - and by all three of the men responsible, since their respective contributions merge unidentifiably at the crucial moments. Elsewhere they go their own ways: Warner directs the action in robust, cartoon-realist style, Conklin festoons it with a calculated jumble of icons from the Renaissance to De Chirico, and Burrett lights it with hallucinatory lighting, lurid and abrupt.

The principal singers found

their ways through this minefield with all due caution. As the luckless hero Cavaradossi, David Rendall did that with special disarmingness: though our indulgence had been begged for his allergy-ridden throat, the missing degree of volume could not have added much to his seasoned, lyrically heartfelt warmth and despair.

Rosalind Plowright's heroine was more problematic. Her forceful soprano, with its characteristic rasping edge, is right for much of the *monstrous sacré* role, and her nervy volatility too - and she delivered a creditable "Vissi d'arte"; but Tosca also needs frank passion and a touch of self-mockery which do not lie within Miss Plowright's English-cool, even English-prissy range.

Much the most striking of the leads was the Scarpia of Henk Smit, a Dutch import. It is essentially a comic creation, properly monstrous from time to time but undercut by the eager, dapper, schoolmasterly quick-march that regularly takes him from point A to point B. The whole performance is so sardonically knowing as to place it between permanent inverted commas; we relish his act, but are never seriously frightened.

Smit's English is excellent to a fault, reminding us that our language - into which Warner and his wife Emma (or sister?) the programme-book is coy about that point) have translated Illica's text crisply and colloquially - just does have bumper, more intrusive consonants than Italian in all the

longer words. Smit barks through the bumps, not minding them; Miss Plowright does her best to sail past them; Rendall manages somehow to assimilate them smoothly into his fluent lines.

Too long unheard in London, Sir Alexander Gibson conducts the score to expert effect, with scrupulous, self-effacing deference to his singers. (Noel Davies takes over from October 18.) Among the secondary roles we have a decently haunted Angelotti - the fugitive who sparks the action - from Andrew Greenan, a conventionally twittish Scarsian solidly characterised by Andrew Shore (as is his want), a timeless but incisive Spalitta from Edward Byles, and Richard Angus's crusty, humane Gaoler.

Does it work? I might guess better if I had any confident grasp of current audience-sensibilities. I think *Tosca* a nasty, cleverly calculated piece which offers melodious riches to good Italian singers; I do not know what to say about the general appeal of this version. Certainly the production is aimed to curdle any weepy indulgence - but may that not deprive Puccini of a central motive? Certainly too, it throws the time-honoured love-and-death motifs into historical-critical, self-conscious relief: excellent fodder for writing reviews like this one. If you want to see a self-reviewing opera production, this provides an excellent opportunity.

A co-production with Houston Grand Opera, supported by Friends of ENO; in repertory until October 27



Henk Smit and Rosalind Plowright as Scarpia and Tosca

Concert/Richard Fairman

## The RPO plays a different tune

single concert for anybody interested in what was musically important in London. But now there is a new vital spark: Mackerras as principal guest conductor, the Maryinsky-Kirov link with Valery Gergiev, a dash of new music, and more than a dash of imagination in the programming.

The RPO has traditionally been the most popular-minded of the capital's four commercial orchestras and there is every sign that it is keen to widen its appeal further

through its involvement with Classic FM radio and a big, mass-market recording project. The question is whether the orchestra can raise its game in the programming of its own concerts and still hold on to this popular audience.

For its opening concert of the season on Wednesday it had a well-filled Royal Festival Hall, which was a promising start. How many in the audience noticed that they were hearing a different version of Mozart's Requiem from usual?

Probably not many: the Beyer edition makes few major changes from the score as finished by Süssmayr after Mozart's death and this was in any case a lacklustre performance of it - difficult to believe that Mackerras was in charge.

The Janáček, however, was another matter. With apparent precision the programme described what was to be performed as "a reconstruction of the original version", though that begs a few questions when applied to a work put together

in various stages. Suffice to say that the reconstruction is even more wildly original than what we usually hear. At the Crucifixion climax of the "Vrhu", where the solo organ bursts out, there was now also extra music for three thunderous timpani, as though the heavens were raining down in fury.

All the performers, so momentous in the Mozart, came ungenially to life. This performance did not quite equal the electrifying account of the

Mass that Mackerras gave a couple of years ago at the Edinburgh Festival, but the RPO played well for him and the Brighton Festival Chorus has never sounded more decisive. The four soloists were Helen Field, Jean Rigby, Philip Langridge and David Thomas, who almost sounded relieved to be freed from their constraints as a Mozartian quartet.

The RPO claims this performance to have been a UK professional premiere, which is a small feather in its cap. Nor will it be the last in the orchestra's "Choral classics" series: anybody who thinks he knows Verdi's Requiem is in for a big surprise when the RPO plays that next spring.

Theatre/Alastair Macaulay

## The Hostage

Just as we all were hoping that poor Ireland might find a way out of its troubles, along comes the Royal Shakespeare Company and disturbs the peace with Michael Bogdanov's madcap new production of Brendan Behan's awkward farcical series-writer 1958 IRA play *The Hostage*. Bogdanov and Behan is a marriage made in Hell anyway; for heaven's sake everyone makes sure Ian Paisley goes nowhere near the Barbican for the next few months.

And, by the way, don't you loathe the notion of "topical" revivals? You can just see how some grim spark around the RSC at the time of the Downing Street Declaration must have thought "Oh, goodie! - now we can revive Behan's flawed old *Hostage* - OK, it's flawed, but it'll be relevant."

We sit for the worse part of three hours in the Barbican, looking at a Dublin brothel that IRA activists take over with their 18-year-old British soldier hostage. The non-IRA characters sit around, they entertain a motley crew of customers, they drink, they sing songs, they waffle on about religion and the British and the troubles, they even dance. The IRA guys are as feckless as everyone else, and they leave their hostage alive just long enough for him to turn an attachment to an 18-year-old girl called Teresa. All of which is meant to set us reflecting about the terrible futility of the troubles, and the topicality of a 1958 play.

Not, however, in my case; I just sit and fume about the guys who waste my time with a clumsy revival of a clumsy text of a minor and imperfect play. Behan wrote more than one version of *The Hostage*; it looks as if Bogdanov and the RSC chose the least pithy. Bogdanov has made the Dublin boarding-house-cum-brothel as deranged a place as he can, and has encouraged some (but not all) the cast to perform it all as if urging us not to believe that this house might be real or that these Irish characters are worthy of being taken seriously for a moment.

Some of this farce potential is there in Behan's play, to be sure. But Behan did not imagine that his Dublin tenement might be tipped forwards and sideways by 30 degrees, as by Kendra Ullyatt's decor here. You take one look at this skew-whiff set and you feel seasick before the action starts.

You feel a whole lot more seasick as you try to piece together the life of this boarding-house, in which characters keep popping in and out of nine different doorways like rabbits. There is the transvestite navvy Rio Rita and his black boxer boyfriend Princess Grace, the whore Colette and her drunken client (a Russian sailor who travels biweekly round half the cast, seldom exiting with the same person twice, and who then turns out to be an undercover agent...). Not to mention the musicians who appear sporadically.

Slightly more important are the kilted old Anglo-Irish (but anti-British) Monsiewer, with his Gaelic (terrible) and his bespites (wonderful); and the religious spinster Miss Gilchrist. Central are Pat, the caretaker and an ageing IRA fighter, and his consort Meg; and the skivvy Teresa.

There are some excellent performances: notably from Dermot Crowley and Dearbhla Molloy as weary Pat and brassy Meg. "Go on, abuse me," he tells her, "your own husband, that took you off the streets on a Sunday morning when there wasn't a pub open in the city." You want to see actors like this in a production that makes a stage world real: it is too bad of Bogdanov to waste their time as well as ours. Alison McKenna is touching as Teresa, and John Woodvine makes the eccentric Monsiewer amusing if not convincing.

Of the actors who encourage one not to trust the play, the worst is Jenny Quayle as Miss Gilchrist. As in Bogdanov's (generally otherwise hilarious) RSC version of Goldoni's *The Venetian Twins*, she overdoes every actorly touch, with special vocal effects in mid-sentences. (The way her voice dips to add a louder connotation to "so much more satisfactory than medical students" is an object lesson in bad theatrical camp.) But she is the actress most perfectly in tune with Bogdanov's messy and half-surreal account of this sprawling version of a nutty play.

In my review of the Birmingham Rep *Tempest*, I inadvertently cited Andy Rockley as playing both Stephano and Caliban. The latter role was in fact played by Richard McCabe. My apologies to both.

In RSC repertory at the Barbican

## INTERNATIONAL ARTS GUIDE

### Munch and Germany

The Kunsthalle der Hypo-Kulturstiftung, a privately-financed gallery in the centre of Munich, has organised an exhibition around the Norwegian painter Edvard Munch (1863-1944). Opening next week, it aims to trace the formative influence which Germany had on Munch, and to show how he in turn influenced German art in the early 20th century.

In the 1890s Munch was a member of the avant-garde circle associated with August Strindberg in Berlin. An exhibition of Munch's work was held in Berlin as early as 1892, and he painted his powerful *Frieze of Life* series there. These works, including *The Scream*, form the centrepiece of the Kunsthalle exhibition. Numerous other works dating from his stay in Germany will be on show, including landscapes, portraits and self-portraits.

Next to the 100 works by Munch (most of them on loan from

Norwegian museums), the Kunsthalle has placed paintings by late 19th-century German artists admired by Munch, such as Böcklin and Klinger, to illustrate the aesthetic climate at the time of his arrival in Germany. Representatives of the Berlin Sezession, founded in 1899 under Munch's influence, are also included. Munch's role as father of modern German art is illustrated by a selection of early Expressionists, such as Kirchner, Heckel and Schmidt-Rottluff. The exhibition can be seen in Munich daily from September 23 to November 27. It will then move to the Hamburg Kunsthalle (Dec 9-Feb 12) and the Nationalgalerie in Berlin (Feb 24-April 23, 1995).

### EXHIBITIONS

**AMSTERDAM** Rijksmuseum The Renaissance Print 1470-1500. Ends Oct 30. Closed Mon  
**Van Gogh Museum** Van Gogh's Self-Portraits. Ends Oct 9. Daily BASLE  
**Kunstmuseum** Fernand Léger (1881-1955): an exhibition devoted to one of the key painters of the modern world. It focuses on the principal creative period from 1911 to 1924, with more than 100 exhibits from international museums and private collections, as well as from Basle's own rich collection. Ends Nov 27. Closed Mon  
**BERLIN** Brücke Museum Early Kandinsky: a survey of a little-known period in the German Expressionist's development, before he made his first abstract painting in 1910 at the

age of 44. Kandinsky's early work is revealed as full of diverse influences, from Biedermeier to the Fauves. Ends Nov 27. Closed Tues  
**Kunstgewerbemuseum** Gianni Versace: retrospective of the Italian fashion designer, including sketches and theatre costumes. Ends Nov 25. Closed Mon  
**BRUGES** Graveningmuseum Hans Memling: a 500th anniversary show grouping some 40 works by the 15th-century Flemish master, including a number of fragile loans from as far afield as Pasadena and Odessa. Ends Nov 15  
**St John's Hospital** Modigliani Drawings 1905-1914: this is the touring exhibition of early drawings given or sold by the artist to his friend Paul Alexandre when living in Paris. Ends Oct 2  
**CHICAGO** Art Institute Otilio Redon: 180 works by the late 19th-century French painter-poet. Ends Sep 18. Goya: 100 small-scale paintings. Ends Oct 16. Daily  
**DRESDEN** Kupferstich Kabinett James McNeill Whistler: a rare German showing of etchings and lithographs. All 62 exhibits were collected in Dresden between 1892 and 1919, and are being exhibited for the first time. Ends Nov 25. Closed Sat and Sun  
**ESSEN** Villa Hügel Paris - Belle Époque: an exhibition of the period from 1880 to 1910 with paintings, drawings, posters, photographs, glass and furniture. Ends Nov 13. Daily  
**FLORENCE** Museo Pecci The Last Dreams of

Joan Miró: some lesser-known late works lent by the Pilar Foundation, which was set up by Miró in 1981, two years before his death. Ends Oct 30. Daily  
**HAMBURG** Deichtorhallen The Century of the Multiple: the history of multiple art editions in three-dimensional form, ranging from early replicas of objects by Duchamp and Man Ray, to today's mass reproductions. Ends Oct 30. Keith Haring (1958-90): 100 large-scale paintings and ceramics by the politically-motivated American artist. Ends Nov 13. Closed Mon  
**Kunsthalle** Masterworks from the Guggenheim Collection: 60 paintings by Picasso, Braque, Dubuffet, Bacon, Chagall, Kandinsky and Miró. Ends Sep 25. David Hockney: drawings from 1954 till the present. Ends Oct 10. Closed Mon  
**LONDON** Royal Academy of Arts The Glory of Venice: an exhibition encompassing the whole range of artistic production in the 16th century, with work by Titello, Piazzetta, Canaletto, Bellotto, Guardi, Canova and Piranesi. Ends Dec 14. The Belgian Avant-Garde 1890-1900. Ends Oct 2. Daily (advance booking 071-240 7200)  
**British Museum** Greek Gold - Jewellery of the Classical World. Ends Oct 23. Daily  
**Courtauld Institute** The Samuel Courtauld Collection of Impressionist Paintings. Ends Sep 25. Conrad Felixmüller (1897-1977): the first exhibition in the UK to explore the graphic work of the leading second-generation German Expressionist, tracing his

engagement with political and domestic themes during the Weimar Republic. Ends Oct 30. Daily  
**Tate Gallery** Turner's Holland. Ends Oct 9. William Blake - Art and Revolution: an exhibition focusing on the English artist's output in the 1790s. Ends Oct 16. Daily  
**Heinz Gallery** Charles Rennie Mackintosh - The Chelsea Years 1915-23. Ends Oct 29 (Royal Institute of British Architects) Seashell Gallery A Positive View: an exhibition of international creative photography, including a selection of 20th-century masters from the Vogue archive. Ends Sep 30. Closed Mon  
**MADRID** Fundació de Caixa Gandinsky and Mondrian - Two Roads Toward Abstraction: this exhibition marks the 50th anniversary of the deaths of two great pioneers of modern art. It covers the years 1911-20 and aims to illustrate the parallels and differences in their stylistic evolution. Both began as figurative painters and ended up with very different abstract styles. There are 35 canvases by Kandinsky and 58 oils, drawings, watercolours and gouaches by Mondrian. Ends Nov 13 (after which it will transfer to Barcelona). Closed Mon  
**MARTIGNY** Fondation Pierre Gianadda From Matisse to Picasso, Masterworks from the Gelman Collection. Ends Nov 1. Daily  
**METZ** Arsenal Gold of the Gods: more than 600 exhibits, comprising pre-Colombian jewels, ritual knives and masques. Ends Oct 2 (tel 4410 7303)  
**NEW YORK**

**Metropolitan Museum of Art** The Annenberg Collection of Impressionist and Post-Impressionist Masterpieces. Ends Nov 27. Pharaoh's Gifts - Stone Vessels from Ancient Egypt: 140 highly artistic stone vessels, including cosmetic containers, figure vases and ritual vessels, dating from about 3200 to 485BC. Ends Jan 29. Closed Mon  
**Guggenheim Museum** Japanese Art After 1945: a comprehensive history of Japanese avant-garde art during the past 50 years. It features more than 200 objects by 70 artists working in painting, sculpture, photography, video, performance and installation art. This show is at the Guggenheim's SoHo site, which was designed by Japanese architect Arata Isozaki and opened in 1992. Ends Jan 8. The main museum is closed on Thurs, the SoHo site on Tues  
**Museum of Modern Art** The Prints of Louise Bourgeois: 140 works by one of the most distinguished American contemporary artists, who has donated her entire printed oeuvre to this museum. Ends Jan 3. Closed Wed  
**Whitney Museum of American Art** Joseph Stella (1877-1946): more than 200 works by the American modernist. Ends Oct 9. Closed Mon  
**PARIS** Grand Palais Gustave Gaillebotte (1848-1894): a centenary tribute to the only member of the Impressionists who has not had a proper retrospective in France. The 89 paintings and 28 drawings on view include his masterpiece, *Paris Street* (1877), on loan from Chicago. Ends Jan 9. Closed Tues  
**Centre Georges Pompidou** Joseph

Beuys: retrospective of one of Germany's leading avant-garde artists of the postwar period. Ends Oct 3. Closed Tues  
**STUTTGART** Staatgalerie Max Beckmann (1884-1950): 70 paintings covering the career of one of the leading German Expressionists, with loans from public and private collections on both sides of the Atlantic. Ends Jan 8. Closed Mon  
**TORONTO** Art Gallery of Ontario French Masterpieces from the Barnes Collection: another stop in the crowd-pulling tour of Post-Impressionist paintings. Ends Dec 31  
**VIENNA** Kunsthistorisches Museum Tintoretto portraits. Ends Oct 30. Albrecht Dürer: a selection from the museum's collection of work by the early 16th-century German master. Ends Oct 30. Closed Mon  
**WASHINGTON** National Gallery of Art Milton Avery (1893-1965): 67 works on paper portraying the American artist's favourite subjects - family and friends, landscapes, relaxed nudes and delightful animals. Ends Jan 22. From Minimal to Conceptual Art - Works from the Vogel Collection: 90 drawings, photographs, paintings and sculpture by contemporary artists, including LeWitt, Christo, Rymen, Beuys and Flavin. Ends Nov 27. Daily  
**National Museum of American Art** Luis Jimenez (b1940): 41 dramatic fibreglass sculptures by the Mexican-American artist, together with the drawings which prefigured them. Ends Jan 2. Daily



Three hundred pesos, or three dollars, will buy a cooking stove made from a vegetable oil can, once donated as aid, in Havana's Parque El Curita street market. With a week's guarantee included, they are selling fast.

Piped cooking gas has been in short supply in the Cuban capital for weeks, thanks to breakdowns at the gas factory. This additional misery for Cubans, already coping with shortages of everything from washing powder to meat, is encouraging a return to Cuba's streets of the vendors who were cleared away in a "revolutionary offensive" in the late 1960s.

Most operate legally - licensed under economic reforms designed to loosen the state's grip on Cuba's recession-hit economy, which has shrunk by half in five years.

The economy was devastated by the collapse of the Soviet Union and the loss of the communist bloc countries with which it carried on 85 per cent of its trade, on highly favourable terms. It is being further squeezed by a recent tightening of the US economic embargo.

In talks with the Clinton administration last week about stemming the flow of illegal immigrants to the US from Cuba's shores, the Cubans sought a commitment from Washington to discuss the 32-year-old embargo.

But most independent observers believe that domestic economic reform is what is needed to solve Cuba's economic problems.

The Cuban government has moved slowly on reform, despite calls for more haste from outsiders such as Mr Carlos Solchaga, the former Spanish finance minister. Cuba has begun to welcome foreign investors in some sectors, and last year it made the US dollar legal tender. But there have been few indications of what the next step might be.

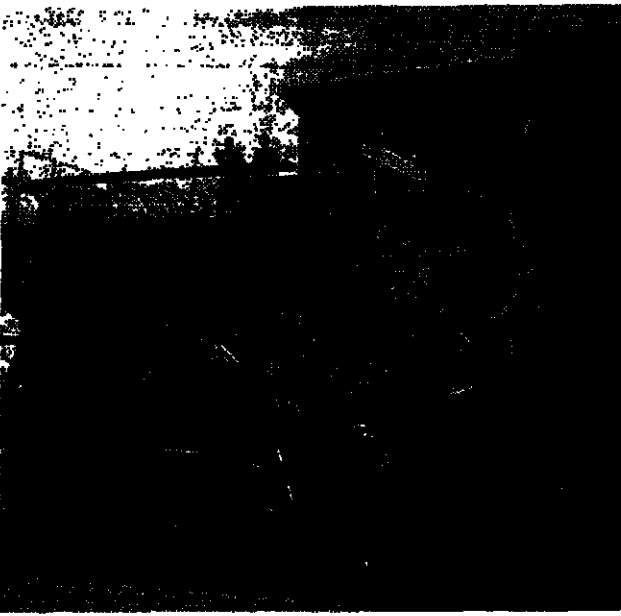
Some are satisfied with the modest changes made so far. "The good thing is that you can use your imagination to make things," says 30-year-old Pedro Raul, who sells mugs, pots, ladies and dates made from old soft-drink cans and aluminium sheeting.

On a good day, Mr Raul says, he can make 300 pesos. Not bad for a country where the average wage for a state worker is between 100 and 200 pesos a month.

But, while legalising some self-employment has helped a number of Cubans, it has by no

## It can only get better

Change in Cuba is irreversible, reports Pascal Fletcher in Havana



Outward bound: A Cuban family heading for a new life in the US

means solved the severe economic squeeze faced by the majority. *Resolverse* - a popular word in the Cuban vocabulary, which means obtaining things or just "getting by" in general - remains the order of the day.

Most Cubans say the subsidised food and consumer goods provided by the state rationing system each month do not even come close to feeding an average family. The black market, a mainstay of daily existence since Soviet trade and aid dried up, is booming despite a recent government crackdown, while the lifting of the ban on dollars seems to have encouraged it.

Only the dollar has real buying power. The black market rate for the dollar hovers between 80 and 100 pesos. Holders of dollars, obtained legally or illegally, can buy almost anything - either on the black market or in the dozens of new dollar stores for Cubans opened by the government over the past year. These sell food, clothes and prized consumer items, such as televisions and domestic appliances.

Those with dollars can also eat and drink at state-owned restaurants and snack-bars,

now open to Cubans as well as foreigners - and at illegal eating houses that have sprung up all over Havana.

Getting by without dollars and on a small monthly salary of Cuban pesos is much harder, and for some impossible.

And a striking novelty in today's Cuba is that people are no longer afraid - as they were even a few months ago - to speak their minds about the country's state of decay.

After a restless, sweating August which saw serious street disturbances in Havana and an exodus by sea of several thousand refugees, public discontent has become a tangible force in homes and on the streets.

Old-style revolutionary fervour, still trumpeted by bright propaganda billboards, has been eroded by the economic crisis, the influence of a tourist industry serving mostly western visitors and by the government's own signals that it is moving slowly towards a limited market economy.

Instead of extolling the virtues of the revolution and Cuba's one-party political sys-

tem, Cubans are more likely to complain about food shortages, electricity blackouts, the collapse of public transport and other daily economic hardships. Behind the Cubans' natural cheerfulness and sardonic sense of humour, there is a sense of brooding frustration.

The more than 30,000 boats, or rafteres, who have left Cuba since early August in flimsy, home-made boats bound for the US symbolise this disenchantment. Until the Cuban authorities re-imposed a ban on illegal departures under a new immigration accord, agreed with the US on September 9, the young, mostly male rafters were outspoken critics of Cuba's current plight.

In response to any inquiry, they directed a stream of rage and frustration against the economy, the political system and the figure of Cuba's 66-year-old president, Mr Fidel Castro. "People are leaving because of a lack of freedom. Lack of freedom to do things, grow things, create things, invent things," said 32-year-old Hector from the Havana suburb of San Miguel de Padron, as he helped friends prepare a raft at Brisa del Mar, some 18 miles east of Havana.

Mr Castro publicly admits a segment of the population is disenchanted with socialism, but insists the vast majority of Cubans still remain loyal. "It is even possible that he allowed the rafters to leave in an effort to defuse the discontent whose reality he acknowledges. It is also possible that the exodus was aimed at putting pressure on the US to lift its embargo, rather than at cooing domestic tensions.

Either way, things have quietened down following the departure of so many. And for the more than 10m Cubans who did not leave after August 5, there is an air of expectancy: the future will somehow - must somehow - be better than the present.

Even Cuba's tightly-controlled state media, whose output normally ranges from euphoric praise for the Revolution to staid ideological conformity, acknowledges the moment is one of change. "Things which didn't work in the past, even when we had resources, can't be expected to work now. The country is changing rapidly," the trade union weekly, *Trabajadores*, said this month.

The question for the Castro government is whether it will be able to influence this change, or merely be carried along - or perhaps swept away - by the tide of events.

## Choreography of peace



Dancing on eggs, the one to a quick-step the other to a slow, the prime ministers of Ireland and Britain may win an enduring peace in Ulster. Keep your fingers crossed. It is never prudent to assume that the dancing will end. Anything can happen between saying, as much and the next day's news. Yet in the fortnight since the IRA announced a complete ceasefire some of the scepticism initially expressed in both London and Belfast has begun to be replaced by hope that the 25 years of troubles really are ending.

"This was decades anticipated by Sir Patrick Mayhew when he reported to the British cabinet yesterday. The dossier prepared by officials for the Northern Ireland secretary will have reinforced the quiet optimism that he has quietly expressed since last December. He has always believed that the IRA's declaration of principle issued before Christmas by the two heads of government would draw the IRA into normal politics, and away from the 'armed struggle'. Assessments by the security service supported his view. The spoils have been vindicated by events, so far. Yet in the private political discussions that followed yesterday's formal meeting of the cabinet the assembled ministers endorsed the government's cool response to the ceasefire.

They could do no less. Any echo of the embrace of Mr Gerry Adams by Irish and American politicians would be a disaster in London or parts of Ulster. The choreography that determines the movements of Mr Albert Reynolds could never be the same as that which directs Mr John Major. Both know this; each under-

stands the other. It would not be surprising if the leader of Sinn Féin was aware of this complicated script. Perhaps he reads drafts on his visits to Dublin. It would be amazing if Mr James Molyneux, leader of the Ulster Unionist party, was not in on the secret, briefed in Downing Street.

Yet the pressure from Irish nationalists, and US politicians who freedom upon their cause, has been all one way. Mr Major is urged to make "gestures" towards Ulster's Republican community. Recognise that this ceasefire will endure, in spite of the IRA's refusal to call it permanent. Lift the prohibition on broadcasting the voices of members of Sinn Féin. Think that, and away at once. Call fine the troops.

Stop right there. Public opinion will need much preconditioning for all of this, but most particularly if the government is to release some of the men responsible for IRA terrorist outrages. The government view is that these are not political prisoners, but criminals. Merely moving a few of them from mainland prisons back to Northern Ireland has already caused a political fire. It is true that comparable releases of ANC and PLO cadres were eventually agreed, but the IRA is not equivalent to those organisations, neither of which had open recourse to the ballot box. Anyhow, the British electorate is as yet unprepared.

Most of the items on the

above list of nationalist demands will, however, eventually be met - even prisoner paroles. Yet as Mr Reynolds clearly appreciates, to respond to any one of them with greater haste than mainstream opinion could endure might blow the entire process apart. Even the broadcasting ban, which Sir Patrick knows is a nonsense, should be suspended only when it is expedient to do so. This does not mean appeasing all unionists all the time. Mr Major's curt dismissal of Mr Ian Paisley last week was delightful to behold. The leader of the Democratic Unionists may be a hero to his electorate, but he is part of the problem.

If there is a solution, it will be dictated by political tactics, some of them grubby. The Conservatives who attend next month's party conference in Bournemouth are overwhelmingly sympathetic to the unionists. Many resolutions to that effect, some of them casting doubt on the government's integrity, have been sited at Tory headquarters. Any democratic politician would be advised to hold out for a few weeks while the IRA is repeatedly asked to suspend the word "permanent" to its notification of an end to hostilities. Mr Major is not strongly placed to resist such a temptation. The argument about this troublesome word "permanent" might disappear in December. By then the IRA armistice, if it holds, will have done so for the full three months envisaged in last year's Irish-British declaration.

Before that, but perhaps after the Tory conference, it

may pay to lift the broadcasting ban. Perhaps British army patrols in Catholic areas might be curtailed. The expressions of British anguish at the prospect of another US visa being granted to Mr Adams might be muted, at least if the president of Sinn Féin is not to meet President Bill Clinton. The latter piece of theatre might win a few Irish-American votes in the mid-term elections, but it would be the grubbier political act of all. Mr Major is wise to dampen expectations of British government acquiescence in any such thing. Meanwhile a question pops up. Is there a trade-off between British support for Mr Clinton in Haiti and US agreement to go easy on rolling out the red carpet for Mr Adams?

Nothing can easily be done about "loyalist" terrorism, which still continues. This is the lethal work of several groups, none of them as disciplined as the IRA. The peace process depends on a cessation of activity by "loyalist" murderers, although that is easier said than brought about. The greater the level of suspicion in unionist areas, the wider the seas in which these gangs can swim. This is not an argument for pandering to the Ulster Volunteer Force and the Ulster Freedom Fighters, but it does add to the case for moving at a pace unionist democrats can accept.

Whatever his shortcomings in other areas, Mr Major has shown since he signed the joint declaration with Mr Reynolds that he understands the unionists, at least as much as Mr John Hume, who signed a preparatory article of faith with Mr Adams, understands the nationalists. The ungenerous will say that Mr Major is displaying cool leadership in Ulster because he has no choice. If he and Mr Reynolds achieve peace, history will be kinder than that.

Joe Rogaly

To respond to any nationalist demand with more haste than mainstream opinion could endure might blow the process apart

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand-written. Please set fax for finest resolution

### Sectors need regulation - not industries

From Mr David Souter.

Sir, Your editorial, "Who regulates?" (September 14), substantially misrepresents the proposals in the Institute for Public Policy Research's new report, "Regulating Our Utilities", of which I am one of the authors. You say that we want to replace individual regulators with "regulatory commissions representing 'stakeholders' such as suppliers and employees", and that this would weaken regulation by opening it up to lobbying by special interest groups.

If we were proposing that, no doubt it would; but we are not. We argue for regulatory bodies for sectors such as energy and communications, rather than industries such as gas and electricity, or telecoms and posts - because of the need for a coherent approach to these areas. The role which separate regulation played in last year's coal crisis illustrates this need. We argue for regulatory commissions rather than individuals because sectoral regulation demands a range of expertise and because the personalisa-

tion of regulation has undermined the quality of decision-making. Nowhere do we suggest that such commissions should include representatives of vested interests. On the contrary, we think that would be wrong. We suggest it might be possible to include individuals with other relevant public policy expertise, for example of having represented consumers in the industries concerned, though they should not be currently involved in doing so. We want expertise added to the

process, not lobbyists. Utility regulation is vitally important to the UK's infrastructure and to citizens' lives. Our proposals aim to improve the quality of regulation, distinguishing ministers' responsibility for medium-term policy in sectors such as energy, communications and transport, while strengthening regulators' executive independence in achieving these democratically determined objectives. David Souter, 34 Arvan Road, London SE26 2NL

### Transparent standards

From Sir Neville Purvis.

Sir, Contrary to the claims made by Nigel Griffiths, the Labour spokesman on consumer affairs ("Wrong number..." September 7), no changes have been agreed between the Department of Trade and Industry and the British Standards Institution to reduce the volume level of telephone calls.

BSI was asked by the DTI to look at ways of utilising, to the benefit of users, the improvements in the transmission efficiency of the public network due to digitalisation.

This investigation was carried out by a BSI technical committee on which 20 UK trade, regulatory, network provider and consumer protection bodies are represented and which had knowledge of the work and sight of all papers throughout the investigation.

### Stereotyping Arab women

From Ms Nadia Hijab.

Sir, I was taken aback by Brown Madrox's piece, "Cairo women worlds apart from UN ideologies" (September 10). Her decision to visit two Cairo hair salons to call opinion about women's reactions to the population conference gave her the same narrow view that she would have had in London or New York had she sought out women with "coral-coloured nails" to match their coral dresses. This is not to say that personal appearance is unimportant, but surely we have moved beyond this stereotype by now?

Egyptian women's participation in public life since the turn of the century and in the modern workforce for some 120 years is well-documented. Had she wished, she could have, as I have on my visits to Egypt, visited a university to meet

women professors and department heads, a newspaper office to meet women journalists and editors, a farm to meet women agricultural labourers and owners, a factory to meet women workers, many companies to meet businesswomen and chief executives, and any government or UN office to meet national and international civil servants. Brown Madrox would not necessarily have found consensus about the population conference. But with all of these women she could have engaged in intelligent debate on the issues facing men and women in Egypt today, rather than imposing a one-dimensional view of women on herself and her readers. Nadia Hijab, 40 River Road #14C, New York, NY 10044, US

### Poland's privatisation plans are feasible

From Mr Jerzy Thome.

Sir, Ms Swiatkowski Cannon's Personal View (September 9), contained many misunderstandings and misrepresentations about Poland's mass privatisation programme (MPP).

As an adviser to successive Polish governments in helping to establish and implement the programme, I would like to put the record straight. The author argues that the programme is centralised and bureaucratic. Inevitably, governments are always involved in the early stages of privatisation as it is state assets which are being disposed. The approach we have evolved is to give substantial responsibility for the actual restructuring of companies in the programme to national investment funds (NIFs). They will have substantial autonomy, operating at arm's length from the government, deciding how best to restructure the companies under their management prior to public flotation. These funds

will be managed by qualified professional firms, selected after competitive tender. A string of quality investment banks, fund managers and consulting firms have already been shortlisted for this purpose.

Several international institutions - European Bank for Reconstruction and Development, World Bank, British Know-How Fund and the European Union - support the programme through the provision of funding and technical assistance. Maybe this is a minor point but it shows the confidence which the international community has in the privatisation programme.

The author says that the programme is too limited in that only some 400 companies are intended to be covered by the programme. Again this misunderstands the position. The MPP is only one element of a multi-track approach to Polish privatisation. The principal objective within the MPP is that the companies included should have the potential after restructuring to be strong and viable, with good growth prospects. We have to date identified about 400 such companies.

### RTZ support in Rio Algom deal

From Mr C A Macaulay.

Sir, I refer to your report, "Rio Algom to boost copper at Cerro Colorado by 50 per cent" (September 7). Part of that report might be seen as implying that RTZ had attempted to take over Rio Algom's Cerro Colorado mine in Chile at the time of the RTZ sale of its 41 per cent interest in Rio Algom. In fact, RTZ made no such attempt. Rather it provided valuable assistance to Rio Algom in the development of the Chilean project, both before and after the sale of its interest in the Canadian company. The successful commissioning of Cerro Colorado, a year and a half after the sale of that interest, was due in no small part to RTZ's continued support of the project. C A Macaulay, president and chief executive officer, Rio Algom, 120 Adelaide Street West, Toronto, Canada

VENTURE '94 FORUM EUROPE

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## FINANCIAL TIMES

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Friday September 16 1994

## Pitching for the market

It is an odd kind of labour dispute. On one side is a strong union, insisting that its members' salaries be set by market forces. Their bosses say wages must be capped, so that profitable employers can subsidise loss-making ones. Meanwhile, pundits note that resolving the strike would save the presidency.

For millions of US baseball fans, the six-week-old major league baseball strike is certainly different. It ruined this year's regular playing season. Now it has put paid to one of the high points of the American sporting year, the World Series, cancelled on Wednesday for the first time since 1904. But non-enthusiasts should also take note. The wrangle over top players' pay is a good example of how market forces work in the modern labour market. The team owners are essentially an old-fashioned cartel trying to tilt the system back in their favour.

At first glance, it is the players' side that looks out-dated. In a country in which only around 12 per cent of private sector workers are unionised, the Major League Baseball Players Association's ability to bring the industry to its knees sounds more like the "big labor" of the 1950s and 1960s than the "flexible" US labour market of the 1990s.

But the players' strong bargaining position does not come from membership of the union. In the US, unlike many other countries, employers may hire permanent replacements for striking employees. A bill which would have banned this failed to pass Congress earlier this year. Quite apart from the probable public reaction, however, the owners cannot do this

because many of the players are all but irreplaceable. In effect, the team owners are facing a dilemma common to many US and UK shareholders. Greater labour market deregulation helps to push down the cost of unskilled workers. At the same time, however, a core group of highly-skilled employees in each firm is able to demand a lot more. Baseball players, once little more than a team's indentured servants after signing their first contract, won more individual rights in the courts in the 1970s. Salaries have risen ever since: from an average of \$400,000 to over \$1.2m in the past five years. Wages now account for 58 per cent of total industry revenues.

The teams argue that the cost of bidding for the best players is driving the smaller, less popular, teams in the league out of business. They would like to see the overall wage bill capped at only 50 per cent of revenues. They say that the resulting extra profits would be used to bail out the teams that are in trouble.

It is not up to the players to allow the companies to be so collectively minded. Even if it were, one cannot judge whether such cross-subsidisation is even necessary, since all of the teams' finances are shrouded in secrecy. In fact, since the owners are possibly the only US businessmen to be entirely exempt from anti-trust provisions, they may make any agreement they like, without outside interference. On Wednesday evening, President Clinton rightly suggested that this cosy cartel should be reconsidered. The baseball strike is a market failure, which stems from the cartel and not from the players.

## Born again

A licence to exist, if not to print money. Yesterday the Independent Television Commission announced that it would re-auction the frequency allotted to Britain's fifth terrestrial television channel. The long-awaited statement gives investors a second chance to bid for the licence, although it makes it no easier to judge its value.

The ITC's statement follows the disarray of its last auction for Channel 5 two years ago. Then, it turned down the only bidder on doubts about shareholders' financial commitment to the consortium. Nonetheless, several groups still express interest; Pearson, the international media group which owns the Financial Times, has indicated it may join one.

The government is right to give investors - and viewers - the opportunity. The form of the channel's programming is left open, but judging by the plans of potential bidders, Channel 5 could provide city-based television, in addition to the regional services of ITV and the British Broadcasting Corporation. Regional stations are a powerful flavour in the US programming mix, and one that would enrich British television.

The channel will also give regional and national advertisers another route besides ITV to reach audiences, helping curb inflation in the cost of airtime.

Ministers have rightly not succumbed to fears that, if Channel 5

were successful, it could jeopardise ITV franchises, some of which remain financially stretched. ITV companies were directed, in bidding for their own licences, to assume that a new fifth channel would bite into their advertising and audiences. So far, they have been spared this competition, although recession hit more deeply into revenues than they predicted. But unexpected consequences of the ITV auction should not block the birth of a rival channel.

However, the government is misguided in withholding from Channel 5 one of the two frequencies advertised last time. In deciding to reserve one frequency for digital television, it risks adding to its long record of promoting high-technology projects of questionable commercial potential.

The consequence is to handicap Channel 5, which may now reach as little as 52 per cent of the country, compared to the 74 per cent achievable with both frequencies. Uncertainty about its coverage is one reason why its viability is currently hard to assess. The potential liability for returning video recorders, which share the same frequency, is also unknown.

Even when these points are clarified, bidders will have a tough job deciding if Channel 5 is a prize worth having, and the price worth paying to secure it. But at least they now have another chance.

## Our man in . . .

What do the following have in common: North Atlantic Treaty Organisation, Organisation for Economic Co-operation and Development, World Trade Organisation? Answer: all three are international bodies (though the third technically does not exist yet) currently in search of a chief executive. In all three cases the choice will be made by the governments of the member states. That in turn means it will be decided through political negotiation, as opposed to the kind of selection procedures whereby senior posts in other organisations are normally filled.

Purists deplore this, but it could not really be otherwise. Such jobs are not purely managerial or technical. They have a political content, greater in some cases than others, and governments must be expected to have an eye to their national interests in arguing for one sort of candidate rather than another.

But where many governments go wrong is in assuming that national interest is best served by securing such posts for their own nationals. This is insulting to the candidates in question, since the candidates in question invariably terms of reference invariably act as the servant of the organisation as a whole, and to forewarn partiality towards their own country. On the whole this requirement is taken seriously, and it is not unknown for such people, once in office, to cause their own governments considerable irritation.

It would not matter if governments simply vied with each other to put up the best candidate. But in many cases they seem determined to get the job for "their" man (or woman) irrespective of merit. That leads to unseemly horse-trading, and to the notion that countries disappointed in one race are entitled to "compensation" in another - a pretension which becomes offensive and ridiculous when the bodies in question have quite different memberships and purposes. Thus Canada, Ireland, Norway, Turkey and the US, none of them members of the EU, are expected to accept a Belgian secretary-general of Nato, with little or no experience of defence policy, because the Belgian prime minister was denied the presidency of the European Commission.

At least in Nato's case there is some sense in the tradition of having a European as secretary-general, since the supreme allied commander in Europe is always an American. It is far less obvious why the tradition of having a European secretary-general of Gatt should be carried forward into the WTO; let alone why non-Europeans should be expected to accept whatever candidate the EU chooses, especially when that choice itself is dictated by a trade-off in the contest for a quite different post.

In each case the effectiveness of the organisation is being sacrificed, and the internationalist spirit it is supposed to embody is being ignored.

European carmakers go to the barricades next week in a last-ditch effort to protect their privileged exclusive dealer networks across Europe.

For several months they have been locked in a lobbying battle in Brussels against the plans of the European Commission's competition directorate for liberalising the continental car market.

At stake is reform of the so-called block exemption, which was granted to the European motor industry for 10 years in 1986, and which allows carmakers to operate selective and exclusive distribution systems in contravention of European competition rules. The exemption expires at the end of June 1995, and next week the 17 European commissioners are due to decide how radical a dose of reform should be imposed on the carmakers.

Behind the issue are sharply contrasting visions of how cars should be sold and serviced in Europe. Is the consumer best served by the dedicated exclusive dealerships allowed under the present system? Or should the dealer networks be exposed to another order of competition, with multi-franchising, the sale of competing brands on the same site? This could offer customers a wider choice in one location, while independent service garages would gain access to the carmakers' closely guarded technical information and exclusive parts business.

A firm proposal for the new motor industry regime will be published shortly after next week's meeting of the Commission. Following consultation with governments and the opposing ranks of the car producers and European consumer organisations, the terms of a new block exemption should be set before the end of the year.

Battle has already raged on this issue in Brussels for several months: the competition directorate's first draft for a new block exemption was leaked to the motor press in May.

The competition mandarins did not pull their punches. In an "explanatory note" they claimed that "the experience acquired over the last 10 years shows that this regulation has not contributed in any significant way to either the opening up of national markets or the development of flexible and efficient structures in the distribution of cars and spares". The block exemption had to be revised in order to "remedy these defects and stimulate competition".

The competition directorate led by Mr Karel van Miert suggested reforms to ensure that dealers - in the main small and medium-sized businesses - have greater commercial independence from the manufacturers. Big publicly quoted dealer groups such as those familiar

## European cars: the single market remains elusive



in the UK are virtually unknown in continental Europe.

Access for independent producers and distributors of spare parts to the carmakers' dealer outlets should be facilitated, and the consumer's position improved, said the draft.

The carmakers were incensed by the proposed reforms. They argue that the present regulation, far from stifling competition, guarantees it; and that what the industry needs above all is stability as it fights to restructure and regain world competitiveness against Japanese and newly resurgent US rivals.

"There are those who wish, in particular within the Commission, to subject this industry to an unprecedented and arbitrary experiment... [and] undermine the whole foundation of automobile distribution in Europe," says Mr Giorgio Garuzzo, chief operating officer of the Fiat group and president of the European Automobile Manufacturers Association (Acea).

The campaign for reform has been led by consumer groups. Mr Jim Murray, director of the Bureau Européen des Unions de Consom-

## The battle for the forecourt

European carmakers fear the consequences if their exclusive dealer networks are reformed, writes Kevin Done

Competition . . .				. . . and choice increased			
Number of brands sold on the market				Models and versions offered			
	1993	1994	Variation (%)	1993	1994	Variation (%)	
France	90	48	25	758	615	27	
Italy	53	41	29	700	586	17	
Germany	95	44	50	300	211	42	

Source: ACEA

EU car prices				
Lowest = 100	Executive	Large	Medium	Small
May 1, 1994	Volvo 850 GLE 2.0i	GM Opel Vectra	VW Golf VR 6i	Ford Fiesta 1.1 CLK
Belgian	119.4	119.4	117.2	
Germany	117.3	123.0	117.0	125.6
Spain	104.3	114.1	100.0	106.6
France	117.0	123.9	113.3	114.7
Ireland	105.6	117.9	115.3	116.6
Italy	106.8	115.7	103.2	100.9
Luxembourg	124.6	119.4	112.1	110.1
Netherlands	116.3	118.3	110.8	125.0
Portugal	110.0	100.0	106.1	102.7
UK	100.0	116.9	116.3	121.1





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# FINANCIAL TIMES

Friday September 16 1994



## Russian bosses get rich as workers go unpaid

By John Lloyd in Moscow

Heads of Russian private and state enterprises are raking in huge salaries even when factories are technically bankrupt and workers are not being paid, government research shows.

A report by the country's labour ministry, the institute of labour research body and a department of the presidential staff, shows that directors in a range of corporations are receiving multi-million rouble monthly salaries while their workers take home much less than the average wage or are sent on involuntary "holidays" because of the enterprises' debts or lack of orders.

The factories cited include:  
● The Tchemash engineering plant in Ivanovo, north-east of Moscow, which paid its workers Rb77,000 (£22) a month - but according to director Rb81,000. In summer it sent the workers home without pay for two months, but the director was given Rb4.7m to see him through the same period.

## Multi-million rouble salaries in private and state enterprises

● The Novosibirsk enterprise in Novosibirsk, central Russia, has debts of Rb5.5bn, and stopped paying "many" of its workers. Its director's monthly salary, however, remained at Rb2.6m.

● A pipe factory in Volgograd in the south paid its workers Rb200,000 a month but its director Rb2.22m. Its debts stand at about Rb4.5bn.

Separate findings show that the old *nomenklatura* - those appointed to top jobs in the communist period - have continued to occupy leading positions in society since the fall of communism, though their privileges are now measured in money rather than access to scarce goods.

The findings are certain to fuel tension caused by cuts in support to industry and fears of bankruptcies and unemployment.

Mr Victor Chernomyrdin,

prime minister, and Mr Alexander Shokhin, economics minister, have both warned of growing problems as budget cuts and non-payment of wages increase while tax revenues and industrial output decline.

Mr Victor Geraschenko, chairman of the central bank, said yesterday that industrial output would fall by 15 per cent next year and gross domestic product by nearly 5 per cent. He told bankers in St Petersburg that 1995 would see a "stabilisation, at a crisis level".

The labour report analysed pay in plants of different forms of ownership. "But, characteristically, in both state and non-state enterprises there were huge disparities between the pay received by the directors, which was 10 or more times that of the average pay of the workers", it said.

## Haiti's opposition hides as US threatens invasion

By Canute James in Kingston and Jurak Martin in Washington

Almost all open supporters of Haiti's exiled president have gone into hiding, fearing they will become military targets as the threat of a US-led invasion intensifies.

Mr William Perry, the US defence secretary, yesterday announced the call-up of 1,700 reservists in preparation for military action to restore Jean-Bertrand Aristide as president.

President Bill Clinton met senior foreign policy and military advisers ahead of a televised address to the nation on the crisis last night.

Officials declined to comment on a New York Times report that the president might call off a fully fledged invasion if the leaders of the military junta accept an offer of third-country arms and immunity from prosecution.

Mr Emilio Jonassaint, de facto president in Haiti's army-backed government, said neither his administration nor the military would give way. He accused Mr Clinton of threatening Haiti for domestic political reasons.

The decision by Mr Aristide's supporters to go underground, reported by diplomats in the capital Port-au-Prince, follows the murder of several of their number over the past two years.

Statements from army officers last week said "militant" Haitians would "pay" in the event of an invasion.

There is also growing fear that the country's military may turn its guns on the slums of Port-au-Prince, in which the ousted president has significant popular support.

Haiti's ill-equipped and poorly trained army of 7,000 has been expanded by a rapid recruiting programme, but is not expected to offer much resistance to an invading force three times larger. However, many officials in the military may hide and begin guerrilla resistance.

The invading forces may have the support, or at least acquiescence, of many junior officers in the Haitian military who have been meeting in recent weeks with foreign intelligence services. They have been promised early amnesty and other unspecified "rewards" for not resisting the invasion.

The three military leaders - General Raoul Cedras, the commander of the armed forces, General Philippe Bnamy, the chief of staff, and Colonel Michel François, the police chief - would be taken into custody by the invading forces, partly for their own protection, according to diplomats.

Mr Robert Malval, the prime minister appointed by Mr Aristide last year under an abortive agreement to resolve the crisis, who was sidelined by the military, would be reinstated.

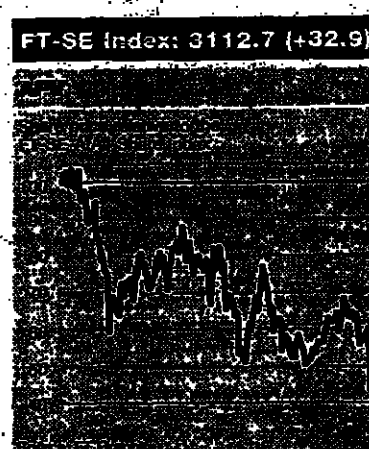
## THE LEX COLUMN

### BP explores growth

BP yesterday signalled that it was ready to move from retrenchment to growth. The switch in thinking was not spelt out in so many words. The phrasing, in a briefing to analysts, was rather that the group's exploration and production division now had options. Under a conservative scenario, production - which fell from 1.7m barrels a day in 1988 to 1.4m last year - would grow at 2 per cent a year. But BP also produced a chart showing production under a more ambitious scenario, growing at up to 7 per cent. The subject was clear: the exploration and production division, at any rate, wants to expand.

It is understandable why BP is talking in a coded way. The last time it embarked on an investment spree in the late 1980s, it fell flat on its face. Spending rose to 100 per cent of the dividend and the dividend was halved. If shareholders are not to take fright, they will need reassurance that a new expansion plan will not suffer the same fate.

Matters may be different this time. First, BP has vigorously cut costs. Second, its investment plans are judged on the assumption that crude prices will fall to \$14 rather than rise to \$25. Third, the group has become strongly cash-generative so it should be able to increase capital spending while still raising its dividend by 30 per cent a year and paying down debt. Yesterday's presentation marks a first attempt to win investors round to such a plan. But shareholders will be right to withhold their judgment until an expansion strategy is spelt out in greater detail.



lowest overheads. L&G is battling down the hatches for the post-disclosure squall, cutting costs and increasing productivity.

The long-term growth prospects for the UK market are nevertheless promising. Ageing baby-boomers will increasingly be attracted by savings products; the state's ability to fund adequate pension provision must be questioned, in which case the private sector will step in; and a low-inflation environment encourages savings. With L&G's shares at an 18 per cent discount to net assets - including the embedded value of the life fund - the market has already recognised the scale of the short-term difficulties to come.

### United Biscuits

United Biscuits' acquisition of Bagnall's Dutch snacks business this week highlighted the group's steady progress in building up its presence in continental Europe. However, the overwhelming majority of shareholders still derives from the UK and the US, markets facing big medium-term problems, as the candidly pessimistic prognosis from UB's management underscored yesterday.

In the UK, UB's McVitie's brand commands 45 per cent of the biscuit market, but the generous margins enjoyed in the past are falling, as the company is squeezed between price deflation and the need to step up marketing expenditure. In the US, the beleaguered measure being taken to strengthen out Keesler - number two in biscuits behind Nabisco - are unlikely to achieve the desired doubling of margins or regeneration of

cash flow before 1996. Against this background, the shares have understandably underperformed the market by a third since their latest peak in May last year.

Sentiment has been soured further because gearing and cash-flow have suffered from the combined impact of rationalisation, increased marketing expenditure and acquisitions. The group's financial situation casts doubt over its long-term ability to nourish its core businesses with investment. But the shares are supported by a yield of 6 per cent. And if the stock market is unwilling to look beyond the uninspiring earnings outlook for this year and next, perhaps a predator will place a higher value on the group's portfolio of brands.

### APV

APV's troubles have hit the company just when economic recovery should have been restoring margins. In that sense, the disappointment is similar to that engendered by Biff last week. Clearly the climate in engineering is such as to leave companies vulnerable to margin erosion. But the APV case has quite specific origins. Its German competitor GEA is determined to win market share in liquid food processing machinery and to one knows how long it will keep up the pressure.

If APV can be funded for not latching on to the risk sooner, yesterday's measures seem a reasonable response. The sharp cut in the dividend will conserve cash. APV has no choice but to restructure the liquid food business if it is to compete with GEA's prices. It is a daunting task just the same. While APV has been paying an increased dividend for the last four years, it has been able to maintain its stated net worth by realising goodwill through disposals. There is not much of that hidden value left to exploit, so the restructuring provision will eat into reserves. With interest over a mere 2.5 times in the first half, APV will struggle to stay within its banking powers.

Perhaps the sensible solution would be to solicit a bid. Arguably a market value including debt of less than £300m is low for a company with turnover of £900m. Although a bidder from within the industry might fall foul of competition regulations, an outsider might find APV's industrial business attractive. But it would be a daring buy while the pressure on liquid food margins continues.

## ITT sale to raise \$4bn

Continued from Page 1

casino and hotel complex called the Desert Kingdom in Las Vegas.

This is to be built on a 34-acre site next to the Sheraton Desert Inn casino that ITT bought last year.

ITT is one of a number of suitors reported to be interested in buying NBC following the recent disclosure that GE had had talks with Time Warner, the US information and entertainment group, about a possible sale of all or part of the television network.

Apart from Walt Disney, others include Turner Broadcasting, the US media group, and Harcourt General, the US publishing and cinema group.

## Lufthansa

Continued from Page 1

spin-offs were intended to encourage entrepreneurial behaviour by keeping inter-company relations at arm's length and increasing awareness of customers' needs.

He expected group turnover to grow by up to 5 per cent a year until 1997, and had set his sights on taking Lufthansa's share of the European market from 16.7 per cent now to more than 20 per cent.

The workforce would continue to be reduced and the management was working on building up its network of alliances.

He claimed productivity had increased 31 per cent in the two years to June this year. The workforce had been cut by 17 per cent and unit costs had been reduced by 15 per cent.

## Raytheon plant closures in UK spark protests

By Paul Betts, Aerospace Correspondent, in London

Raytheon of the US is to close the UK corporate jet business it bought from British Aerospace and transfer the work to Kansas over the next three years.

The decision provoked a storm of protest in Britain immediately after its announcement yesterday by the industrial group, which acquired the BAE business for \$250m (\$387m) last year.

Representatives of the opposition Labour party and trade unions called on Mr Michael Baseline, the British trade and industry secretary, to intervene to stop Raytheon closing its two UK facilities near Chester in northwest England and Hertfordshire in the south of the country. Raytheon currently leases both plants from BAE.

The US company, which also announced it was suspending production of the Hawker 1000 business jet and slowing production of the smaller Hawker 800 jet, said the move reflected difficulties in the recession-hit corporate jet market.

"The timing of this decision is principally driven by the current weak market conditions and substantiated by the results of a recently completed study by Raytheon after it acquired Corporate Jets from British Aerospace," the US company said.

As part of the overall rationalisation of its corporate aircraft activities, Raytheon is also cutting 600 jobs in the US.

The company is merging its Beech Aircraft subsidiary with the former BAE corporate jet activities into the Raytheon Aircraft Company based in Wichita, Kansas.

Apart from poor market conditions, Raytheon said its recently completed study of its aircraft businesses concluded that merging Hawker and Beech aircraft production would achieve significant cost savings.

Raytheon said final assembly of Hawker jets would start being moved to Wichita next year. 1997. Engineering activities will also be moved to Wichita.

It added it was immediately cutting 170 out of 550 jobs in Cheshire, where Hawker business jets are assembled, and 143 out of 300 jobs at its Hertfordshire design, engineering and marketing facility.

The remaining jobs at both plants will go by 1997, although several UK employees will be offered jobs in the US.

Since the sale to Raytheon, former BAE employees had been worried about the ultimate intentions of the US company and the strong possibility it would eventually transfer production to the US.

But yesterday's announcement still came as a big shock to staff. Mr Tony Lloyd, the Labour party's employment spokesman, said it was "outrageous that an American company can move in, buy an order book and then close down forever the plants with the consequences for skilled employment".

## FT WEATHER GUIDE

### Europe today

Low pressure near Copenhagen will cause gale to strong gale force north-westerly winds over the North Sea and the Benelux coast. Germany, the Benelux, eastern France and the Alps will be overcast with numerous showers as a result of cool and unstable air. A frontal system over Scandinavia and the Baltic states will cause showers, especially in Finland. High pressure west of the British Isles will bring clearer conditions to Ireland, southern England and north-west France. Spain and Portugal will have abundant sunshine, although the north coast will have some rain. Italy will have isolated showers while Greece, Turkey and Cyprus will remain sunny and warm.

### Five-day forecast

High pressure west of the British Isles will expand towards the mainland and southern Scandinavia, reducing wind and showers around the North Sea during the weekend. Low pressure over the Mediterranean will cause a lot of rain along the east coast of Spain, in Italy and in the Alps from Sunday. South-east Europe will be hot and sunny.



TODAY'S TEMPERATURES			
	Maximum		
	Celsius		Fahrenheit
Abu Dhabi	sun 40	Beijing	sun 68
Accra	shower 28	Belmont	shower 59
Algiers	sun 28	Berlin	shower 54
Amsterdam	windy 14	Bermuda	fair 68
Athens	fair 32	Bogota	cloudy 59
Atlanta	thund 28	Bombay	cloudy 86
B. Aires	fair 15	Brussels	shower 54
B.ham	cloudy 14	Budapest	shower 59
Bangkok	rain 34	C.hagan	rain 54
Barcelona	fair 23	Calcutta	sun 86
		Cape Town	sun 68



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**IN BRIEF**  
**Saint-Gobain**  
**trebles profits**

Saint-Gobain, the French glass and building materials group, almost trebled first-half results to FF1.26bn (\$333m), thanks to improved economic conditions in most of the group's markets, lower financial charges and the positive impact of restructuring measures taken over the past two years. Page 17

**Fiat sells seats**  
Fiat, the Italian vehicles group, is selling its car seat-making activities to Lear Seating of the US. Page 16

**Lufthansa to spin off services**  
Lufthansa, Germany's flag-carrier airline, is to spin off its cargo, aircraft maintenance and information technology services into three independent profit centres. Page 16

**High hopes for Chicago Sun-Times**  
Mr David Radler, chief operating officer of Canadian-based Hollinger Group, hopes to double the profit margins of the Chicago Sun-Times, the city's second largest newspaper, to 14 per cent, or about \$90m within the next two years. Page 17

**Heavy investment in Korea**  
Hyundai Motor breaks ground today for a new car plant at its Asan complex in what is part of a rapid expansion of production capacity by Korean industry this year. Plant and research investments by the country's 30 biggest conglomerates are expected to increase by 15 per cent in 1994, according to the ministry of trade and industry. Page 18

**Kellogg tackles India**  
Kellogg, the US cereals company, has launched a campaign to change breakfast habits in India as its products appeared in Bombay shops. Page 18

**Khashoggi in Thai talks**  
Mr Adnan Khashoggi, the Saudi businessman, is in negotiations to buy stakes worth a total of more than \$150m (\$120m) in three listed Thai companies. Page 18

**Investment loss holds back L&G**  
An investment loss of \$53m (\$32m) from the bond and equity markets, held first-half pre-tax profits at Legal & General, the UK life and general insurer, to \$58.0m, against \$75.0m in 1993. Page 20

**Snagged by stockings**  
Entering the French hosiery market helped to depress pre-tax profits at Courtaulds, the UK clothing and fabrics group, by 26 per cent to £10m (\$15.5m). Page 21

**North America lifts Logica**  
Logica, the UK computing services company, lifted pre-tax profits 50 per cent in the year to June 30, after a turnaround in North America, which saw the US operation in profit for the first time since 1989. Page 23

**Bourses see increased trading volume**  
Trading in the main European equity markets rose substantially in August, after four years of decline, in a delayed response to rising share prices as most market indices rose for the second successive month. Back Page

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Chief price changes yesterday					
FRANKFURT (DM)					
Rhein			Packer Gumbel	8084	+ 2
Carbo Niro	1795	+ 30	Telekom	3674	+ 4
Palto			ITT	7814	+ 14
QTR	623	+ 10			
Lightways	740	+ 12	PARIS (FF)		
Leifert	740	+ 15	Rhein	623	+ 13
Shoring	118	+ 15.5	Bovag	680	+ 20
			LYNH	370	+ 12.5
NEW YORK (\$)					
Rhein	1795	+ 30	D. Fancier	844	+ 18
Carbo Niro	1795	+ 30	Danube	750	+ 11
Palto	1795	+ 30	Gumstee	375	+ 12
Tokyo closed, New York prices at 12.30.					
LONDON (Pence)					
Rhein			Midcor	151	+ 9
Carbo Niro	1795	+ 30	Profford	81	+ 10
Palto	1795	+ 30	Ridder	104	+ 6
QTR	1795	+ 30	Ungate	363	+ 13
Lightways	623	+ 12	Wentley Mng	90	+ 4
Leifert	740	+ 15	Palto	83	+ 354
Shoring	118	+ 15.5	APV	118	+ 7
Tokyo closed, New York prices at 12.30.					
LONDON (Pence)					
Rhein			Midcor	151	+ 9
Carbo Niro	1795	+ 30	Profford	81	+ 10
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Leifert	740	+ 15	Palto	83	+ 354
Shoring	118	+ 15.5	APV	118	+ 7
Tokyo closed, New York prices at 12.30.					

**Weatherstone hands over J.P. Morgan reins**

By Richard Waters in New York

Sir Dennis Weatherstone, chairman and chief executive of J.P. Morgan, will retire at the end of this year after five years in which the US institution has transformed itself into a leading international investment bank.

Sir Dennis' retirement after he turns 64 in November, and the appointment in his place of Mr Douglas Warner, who is 48, comes a year before most observers had expected.

However, analysts and rivals said the timing did not appear to be the result of

internal dissent. Mr Warner, who has been the bank's president since the start of 1990, had been expected to take over.

Sir Dennis, who described the transition as "boringly uneventful" and planned for some time, said: "I am very healthy, very happy. The bank is in very good shape."

Sir Dennis yesterday won plaudits from Wall Street for J.P. Morgan's advances in investment banking. Mr George Salem, an analyst at Prudential Securities, said: "He executed the plan to transform the organisation, from one that was becoming an anachronism to

one that was a leader in global finance. I would give him very high grades."

The past year, though, has seen Morgan's reputation sullied by its entanglement with Banesto, the Spanish bank taken over by the Bank of Spain at the end of last year. The controversy raised questions about the bank's ability to expand internationally without diluting its blue-chip customer base and reputation for quality.

"With the benefit of hindsight it [the Banesto investment] doesn't look too good," Sir Dennis said. "I don't think it was our most glorious moment... But it

was a long-term investment, and we realised it was high-risk. We're not going to go through our business and not make any mistakes, anywhere." He added, though, that investors in J.P. Morgan's Corsair fund, which invested in Banesto, may yet do "very nicely" out of the deal.

Sir Dennis also played down the suggestion that profits have become more volatile under his tenure, as the bank relies more on income from trading in financial markets. "It may be that in times of [market] volatility the earnings will go down," he conceded, though he

added: "Some of what is seen as volatility isn't there," as much of the bank's trading was for customers.

Mr Warner fits the Ivy League mould of J.P. Morgan executives better than Sir Dennis, a Briton who left school at the age of 15. Mr Warner, educated at Yale, has been with the bank throughout his career. He ran the bank's London operations in the late 1980s and headed its corporate finance business from New York. In the past five years he has been involved more on internal matters as chief operating officer.

Austria's bank adviser, Page 16

**Iri nears SME sell-off as two consortia lodge bids**

By Andrew Hill in Milan

The final dismembering of SME, the state-controlled Italian foods group, came a step closer yesterday when two rival consortia lodged bids for its supermarket and restaurant businesses. The offers should mark the beginning of the end of one of the messiest sell-offs by Iri, the Italian state holding company, which promised a model privatisation when the break-up and sale of SME was launched in January 1993.

It is understood that La Rinascente, the quoted Italian retail group, Ferrero, the Italian confectionery company, and FinComit, the merchant banking arm of Banca Commerciale Italiana, have joined forces for one bid. The rival bid comes from Pam, another Italian retailer, Edizione Holding, the Benetton family's holding company, and Moven-

pick, the Swiss hotel and restaurant group, advised by Credit Suisse First Boston.

The consortia must first offer to buy 32 per cent of SME from Iri, which owns a 62 per cent stake. They will then launch a public offer for a further 32 per cent at the same price, and buy the rest of Iri's shares.

At yesterday's closing share price of L3,779, SME is valued at slightly more than L1,700bn (\$1bn) but analysts believe the business could be worth as much as L2,000bn. Members of the winning consortium are expected to split the GS supermarkets and Autogrill motorway restaurant operations between them, possibly bringing in other investors.

Iri broke SME into three parts for the sell-off - Italgal (frozen foods and sweets), Cirio Bertolli De Rica (oil, canned vegetables and milk), and GS-Autogrill. Mr

Michele Tedeschi, then Iri chief executive and now chairman, predicted in late 1992 that the operation would be completed in six months.

The sell-off has been dogged by problems. Italgal was bought by Nestle of Switzerland in July 1993, but first attempts to sell CBD and GS-Autogrill last year had to be abandoned because Iri said the offers were inadequate.

CBD was eventually acquired by an agricultural co-operative, which sold the olive oil business to Unilever last November. Control of the rest of CBD, renamed Cirio, has now passed to Mr Sergio Cragnotti, the financier turned agro-industrialist.

The Italian government is hoping for a swift conclusion to the GS-Autogrill saga, to concentrate on the sale of Stet, the telecoms holding company, and Enel, the electricity generator.

**Mirror holds its own in price war**



Window of opportunity: Mirror Group's chief executive David Montgomery announced the company's first post-Maxwell dividend and a modest increase in profits in spite of the newspaper price war. Page 20

**UK food equipment maker blames price competition from German rival GEA and halves interim dividend**

**APV shares plunge on margins warning**

By Andrew Bolger in London

Shares in APV fell by 30 per cent, from 118½p to 83p, yesterday after the UK-based food processing equipment specialist cut its interim dividend and warned that it was facing increasing pressure on profit margins.

APV blamed increasing competition on a recent push by GEA, a German manufacturer, into the liquid food equipment market long dominated by APV and Tetra Laval, the Swedish food packaging and equipment group.

Sir Peter Cazalet, chairman, said: "It is clear to us that GEA has been extremely aggressive and is trying to elbow its way into the industry. This is not a happy scene in terms of margins."

**Hot in the kitchen**



Sir Peter Cazalet, Group Chief Executive

APV reported an increase in pre-tax profits from £4.4m to £5.8m (\$8.1m) in the six months to June 30 but said it would take an unspecified charge in the second half to cover further restructuring of its liquid foods division.

Sir Peter said: "We remain committed to improving the group's profitability and consequently we will further attack our cost base and improve efficiencies." Analysts could only find things to be for smaller companies, with weaker market positions.

Such forebodings were speedily fulfilled by APV, which has been trying to restructure in a period of depressed order books and increased competition.

**Paddling upstream with more urgency to avoid the falls**

Investors' alarmed reaction to BTR's recent warning of pressures on profit margins boiled down to a simple fear: if giants such as the UK-based industrial conglomerate are suffering, how much worse might things be for smaller companies, with weaker market positions?

Such forebodings were speedily fulfilled by APV, which has been trying to restructure in a period of depressed order books and increased competition.

Mr Clive Strowger, chief executive since 1992, said yesterday that the proposed restructuring of APV's liquid-food equipment side would just represent an acceleration of his existing strategy. This is to move "upstream" from low-margin manufacturing and contracting work, and focus more on developing specific products and processes for key customers.

Mr Strowger said this policy had begun to pay off in the group's continuing dry goods business. The group claims a two-year lead in applying microwave technology to commercial baking ovens, and has invested heavily in ohmic heating systems, which produce food capable being stored for long periods without refrigeration.

The aggressive entry of GEA into the food business could hardly come at a worse time for APV. It has been restructuring while assuming no market growth - particularly in continental Europe, which accounts for 40 per cent of sales.

APV has faced recurring bid speculation. In 1992 it emerged that GEA had quietly built up a 23 per cent stake, but this holding has fallen to 1 per cent. APV has held discussions with GEA about swapping businesses, but said the possibility of a full bid by the German group had never been broached. APV's other big competitor is Tetra Laval, the Swedish food packaging and equipment group, but any bid from that quarter would face formidable regulatory obstacles.

**Swiss franc restrains Nestlé**

By Ian Rodger in Zurich

Nestlé, the world's largest foods group, said its net income in the first half edged up 1.7 per cent to SF1.27bn (\$880m) with the growth depressed mainly by the high value of the Swiss franc.

The currency effect masked what it called "a number of very positive trends" in the first half. Underlying sales volume, excluding the impact of acquisitions and disposals, grew 3 per cent, against only 1 per cent in the first half of 1993, and trading profit advanced 5.1 per cent to SF2.8bn.

The total value of sales was unchanged at SF27.4bn, but up 6.4 per cent in constant currency terms.

The group is forecasting faster growth in net profit in the second half, and said that sales could rise slightly as well, provided

that the exchange rates of the principal currencies "regain a degree of stability by the end of the year".

Nestlé makes more than 88 per cent of its sales outside Switzerland.

In a period during which the Swiss franc has risen strongly against the US dollar and against all the chief European currencies, the negative effect of translating foreign currency earnings into francs is substantial.

It also has an impact on the valuation of overseas assets.

In the first half, the group charged SF338m against net income for the decline in Swiss franc terms of overseas assets, especially those in hyperinflationary Brazil.

Sales volumes rose steadily in both North and South America and "vigorously" in Asia. The decline of sales in Europe was

halted.

The recent rise in coffee prices has not had a material effect on the group.

Raw coffee is not an important component in retail pricing of instant coffee, and the group hedges its purchases.

Net financing charges were down 17 per cent to SF362m, reflecting lower levels of debt and lower interest rates.

At the end of June, the group's net indebtedness stood at SF8.6bn, compared with SF10.4bn a year earlier, mainly as a result of strong cash flow.

A further substantial reduction in borrowings can be expected in the second half provided that shareholders of L'Oréal, the French cosmetics group, approve at an EGM next week the purchase of Nestlé's interests in some of its distribution companies.

These securities having been previously sold, this announcement appears as a matter of record only

**US\$ 454,000,000 Global Offering**  
Represented by  
**22,700,000 Shares and Global Depositary Securities**

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July, 1994



## INTERNATIONAL COMPANIES AND FINANCE

## Booz to advise Austria on bank sale

By Ian Rodger in Zurich

The Austrian finance ministry said yesterday it had hired international consultants Booz, Allen & Hamilton to advise it on the sale of part of its 70 per cent voting stake in Creditanstalt, the country's second largest bank.

Last week, it was reported that the ministry had engaged J.P. Morgan, the New York investment bank, for the delicate assignment.

This latest twist in the long-running saga over Credit-

anstalt's privatisation comes only three days after CS Holding, the Swiss financial services group built around Credit Suisse, withdrew its offer for a stake in the bank, citing the increasing politicisation of discussion of the issue.

CS was also thought to be annoyed that J.P. Morgan, a strong rival of CS's investment banking subsidiary First Boston, was selected to assess the bids.

Sources close to the government said J.P. Morgan was never actually engaged, a posi-

tion confirmed by J.P. Morgan. The appointment of Booz, which is not in the investment banking business, may be an attempt by the Austrian finance ministry, which has been supportive of the CS Holding bid, to bring the Swiss back into the running.

However, CS said yesterday its decision to withdraw was final.

That leaves only a so-called Austrian consortium, headed by Italian-controlled Viennese insurance group EA Generali, with a concrete bid lodged.

The German insurance group Allianz has also expressed an interest, and the Austrian federalisation of Raiffeisen bank co-operatives is thought to be interested. Its merger proposal with Creditanstalt last year was rebuffed by the finance minister, Mr Ferdinand Lachner.

Mr Franz Vranitzky, the chancellor, expressed his confidence in Mr Lachner yesterday, saying the minister had "properly handled" the matter. It was now a matter of finding more interested parties, which would require more time.

## Bankruptcy threat to Tiphook's Montague

By Simon Davies in London

A bankruptcy petition has been issued against Mr Robert Montague, founder and chief executive of Tiphook's, less than a month after it was revealed he would get total payments of £1.34m (£2.1m) for a year when Tiphook lost £331.1m. It is understood the petition concerns a £2.2m loan facility from a leading UK bank.

The petition was issued yesterday by Oxford County Court to Alsop Wilkinson, the legal representatives of the petitioner, after consideration by a district judge.

The petition has not yet been served on Mr Montague, but it is listed for a court hearing on October 23. A Tiphook spokesman said: "It is a matter entirely for Mr Montague."

Alsop Wilkinson would not comment. Mr Montague denied that he faced any financial difficulties.

During the annual meeting, shareholders in Tiphook focused on their own financial problems, as their company retains more than £1bn of debt after selling its container business, and it retains two loss-making businesses.

Mr Rupert Hambro, the company's chairman, admitted that the £6.4m of directors' payments for last year was wrong. "There is no justification for this," he said. But he claimed that Tiphook was making strenuous efforts to redress its notorious cost base, which included a 198ft yacht.

Shareholders supported him by approving all the AGM resolutions on a poll, although a potentially embarrassing show of hands was avoided.

Mr Montague was questioned about his financial health by Mr Paul Stock, of accountants Bachelier Phillips, representing a Lehman Brothers shareholder.

## Fiat sells seat-making arm, to Lear Seating for \$160m

By John Griffiths in London

Fiat, the Italian vehicles group, is taking another step to outsource more motor components with the \$160m sale of its car seat-making activities to Lear Seating of the US.

Under a preliminary deal announced yesterday, Lear will acquire Fiat's Italian-based seat-making subsidiary. Lear will continue, under Fiat's ownership, to supply Fiat's Italian car plants.

However, Lear will also use the operations to supply markets in eastern Europe and Latin America.

The deal is in line with a growing trend by leading car producers to concentrate on vehicle assembly, leaving

many component supplies to independent producers, which can achieve greater economies of scale by supplying several other vehicle makers simultaneously.

Two months ago, Fiat in effect disengaged itself from another important components sector, the constant velocity joints and driveshafts essential to all front-wheel-drive cars, in a deal with GKN, the UK industrial group.

GKN agreed to invest £50m (\$77.5m) in a joint venture with Fiat which will supply the Italian vehicle maker with drive-line components from a new factory near Florence.

GKN holds 85 per cent and management control of the venture, which has taken over

Fiat's own business which had been making the components.

The Lear-Septi and GKN ventures provide for non-Fiat customers to be supplied.

Septi had 1993 sales of about \$650m and produced seats for more than 1m vehicles. It has about 1,800 employees.

The Septi agreement is subject to completion of a due-diligence review and other conditions.

However, when completed the deal "will increase our global market share and further strengthen our European position as well as allow us the opportunity to expand with Fiat in eastern Europe and South America," said Mr Ken Way, Lear's chairman and chief executive.

## Vienna airport authority down 19%

Flughafen Wien, the partially-privatised Vienna airport authority, has reported a 19 per cent slide in consolidated net income in the first half, to Sch202.8m (\$18.6m). It blamed higher financing costs and taxes, Ian Rodger reports from Zurich.

However, operating profits were ahead 9.8 per cent to Sch335.5m, on revenues up 6.7 per cent to Sch1.58bn, reflecting what the group called healthy growth. Passenger traffic was up 8 per cent; take-offs and landings rose 8.4 per cent and maximum take-off weight, 5.4 per cent.

Mayr-Melnhof Karton, the Austrian carton board producer, said a sharp increase in raw materials costs in May would only be offset by price increases in June and take full effect in the fourth quarter, Reuters reports from Zurich.

As a result, full-year results are expected to show only a modest improvement over the first half. Group net profits are seen at Sch140m and cash flow at Sch90m.

First-half net profits were Sch105m, while full-year profits for 1993 were Sch17m. Cash flow in the first six months was Sch511m, and Sch831m for the full year.

"The unprecedented increase in international used paper prices that began in May has had immediate and unpleasant consequences for the business year 1994," the company said.

## Caisse des Dépôts seeks to sell cable-TV operations

By John Riddling in Paris

Six French industrial and media groups are set to compete to buy Com-Dev, the cable television operations of the Caisse des Dépôts et Consignations, a state financial institution.

Com-Dev is one of France's largest cable television operators with about 200,000 subscribers and network connections to a total of 400,000 buildings.

However, like most other French cable operators it continues to suffer losses. Last year it recorded a deficit of FF490m (\$90.7m), of which about FF400m related to the cost of investment in building the network.

The companies interested in buying all or part of the cable business are thought to include France Telecom, Char-

geurs, Lyonnais Communications, TDF, Générale des Eaux, and a subsidiary of Electricité de France. Most already have activities in the media or telecommunications sectors. Générale des Eaux, the construction, utilities and communications group, is already France's largest cable television operator with about 450,000 residences connected to its networks.

Mr Willy Stricker, president of Com-Dev, declined to comment on the possible value of the company. He said the cable operator could be sold in separate tranches, but that a global offer would be preferred. A decision on the successful candidate, or candidates, is expected by the end of the year.

The Caisse des Dépôts wants to sell its cable television operations because they lie outside its principal financial

and investment interests. An attempt last year to sell Com-Dev drew interest from France Telecom and Générale des Eaux.

The sale was postponed, however, reportedly because of disagreements over price and the political sensitivity of the issue, following the upheavals at Canal Plus, the pay-TV station. Mr André Rousselet resigned as chairman of Canal Plus earlier this year following an accord between various communications groups, including Havas and Générale des Eaux, to form a controlling shareholder group in the pay-TV company.

Since the launch in then 1980s of the "Plan Cable" by the French government, the public and private sectors have invested about FF300m in cable TV. Caisse des Dépôts has invested about FF12m.

## NEWS IN BRIEF

## Unisys creates business units

Unisys, the US information systems group, has created two business units to focus on the worldwide transportation market and the US health information management market, agencies report.

Mr Dennis Christ has been named president of the transportation unit and Mr Bill Sturm is president of the health information manage-

ment area. Unisys said that in transportation, areas of market expansion would include airport modernisation, the travel and hospitality industry, railroads, and freight forwarders.

In health information management, Unisys said that it planned to form alliances with health maintenance organisations and insurance companies.

## Ski-maker's rescue deal collapses

Atomic, one of the world's largest ski producers, faced bank-

ruptcy yesterday after a proposed rescue deal with its main creditor bank fell through, bank officials said, AP-DJ reports from Zurich.

The tug of war over Atomic, one of Austria's best-known enterprises, has been headlined in the local media as an "economic thriller".

Mr Alois Rohrmoser, Atomic owner and founder, offered the Bank für Arbeit und Wirtschaft full ownership of the company for a nominal price of Sch1 (about 10 US cents) on condition that the bank halted bankruptcy proceedings.

## Dairy Farm

## Interim Report Highlights 1994

- Profit after taxation US\$109.1m + 60%
- Earnings per ordinary share US\$5.99 + 50%
- Earnings per ordinary share before exceptional item US\$4.00 Unchanged
- Dividend per ordinary share US\$1.65 + 6%

"Dairy Farm has experienced more severe competition in some of its major markets but continued to make progress with its international development. While the overall result for the year will be enhanced by the exceptional gain recorded in the first half, the operating profit is likely to remain at a similar level to 1993."

Simon Keswick, Chairman  
15th September 1994

Consolidated Profit and Loss Account			
	(unaudited)	Year ended	
	Six months ended 30th June	31st December	
	1994	1993	US\$m
Turnover	2,837.4	2,382.7	4,979.8
Operating costs	(2,573.5)	(2,322.2)	(4,807.3)
Operating profit	263.9	61.5	172.5
Share of profits of associates	44.0	40.4	98.5
Exceptional item	107.8	101.9	270.8
Profit before interest and taxation	148.5	101.9	270.8
Net interest expense	(10.5)	(10.3)	(18.5)
Profit before taxation	138.0	91.6	252.3
Taxation	(30.0)	(23.0)	(64.5)
Profit after taxation	108.0	68.6	187.8
Minority interests	(6.7)	0.1	(0.3)
Profit after taxation and minority interests	101.3	68.7	187.5
Preference dividends	(5.3)	(1.9)	(8.7)
Profit attributable to ordinary shareholders	101.5	66.2	188.8
Ordinary dividends	(28.3)	(28.1)	(68.5)
Retained profit for the period	73.2	40.1	93.3
Earnings per ordinary share	US\$5.99	US\$3.99	US\$11.28
Dividends per ordinary share	US\$1.65	US\$1.55	US\$3.65

Dairy Farm International Holdings Limited  
Incorporated in Bermuda with limited liability

## Notes:

The interim dividend of US\$1.65 per ordinary share will be payable on 1st December 1994 to ordinary Shareholders on the register at the close of business on 30th September 1994 and will be payable in cash with a scrip alternative. The ordinary shares registers will be closed from 3rd to 7th October 1994 inclusive. The ordinary dividend, declared in United States Dollars, will also be available in Australian Dollars, Hong Kong Dollars and Sterling calculated by reference to rates prevailing ten business days prior to the payment date. Ordinary Shareholders on the International branch register will receive United States Dollars while ordinary Shareholders on the Hong Kong branch register will receive Hong Kong Dollars, unless they elect for one of the alternative currencies by notifying the Company's registrars or transfer agents by 4.00 p.m. (local time) on 4th November 1994. Ordinary Shareholders whose ordinary shares are held through the Central Depository System in Singapore (CDSP) will receive Hong Kong Dollars unless they elect through CDSP to receive United States Dollars.

A member of the Jardine Matheson Group

## NOTICE TO THE HOLDERS OF KBC INTERNATIONAL LTD.

US\$50,000,000 FLOATING RATE NOTES DUE 1995  
US\$30,000,000 FLOATING RATE NOTES DUE 1996

NOTICE IS HEREBY GIVEN to the holders of the above mentioned notes that effective June 1, 1994, KBC INTERNATIONAL LTD., changed its name to:

HYUNDAI INTERNATIONAL MERCHANT BANK ("HIMB")  
The notes will not be stamped or exchanged as a result of the change of name and will remain listed on the Luxembourg Stock Exchange under the former name followed by an indication of the new one.

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## CONTRACTS &amp; TENDERS

## PROCEDURE OF EXTRAORDINARY ADMINISTRATION OF CAVIRVEST S.p.A.

with its seat in Bagnoli di Sopra (PD) Italy,  
Viale dell'Industria No. 1

According to the Italian Law 3.4.1979 No.95  
Decree of 12.8.1994 Prot. 102013 of the  
Ministry of Industry and Commerce

## PROCEEDINGS TO THE SALE OF CAVIRVEST PLANT

The Governmental Administrator informs all the parties concerned that Cavirvest S.p.A. owns an industrial plant formed by three production units. Two production units are located near Padova (Italy), in Bagnoli di Sopra, and the third one near Perugia (Italy), in Umbertide. The products manufactured by the above units are the following:

- 1) billets and rods from copper cathodes and scraps by a series of furnaces, continuous-castings and an annual capacity of 50,000 tons (first unit located in Bagnoli);
- 2) aluminium and copper stranded conductors for power lines and bare, insulated and enamelled aluminium and copper wires for an annual capacity of 35,000 tons (second factory located in Bagnoli);
- 3) bare and enamelled copper thin wires for an annual capacity of 4,500 tons (unit located in Umbertide - Perugia).

The Governmental Administrator of Cavirvest S.p.A., in consideration of the fact that:

- the transfer of the Company has met with great interest;

- it is reasonable to adopt the form of the public order so as to ensure the maximum transparency in the procedure of the Company sale;

- the price of the Company has been fixed at 31 (thirty one) thousand million Italian lire by the expert Mr. Coluzzi, according to the provisions of Article no. 6/bis of Italian Law no. 95/75;

- not included in the above mentioned price there are properties belonging to third parties. These properties are also on sale and the sales conditions have to be agreed upon;

- Cavirvest S.p.A. in Extraordinary Administration intends to transfer the production units equipped with their machinery as a whole. These

machineries are listed in the expert report deposited at Cavirvest offices; the interested parties may submit their offers, not lower than 31 thousand million Italian Lire, for the transfer of the entire plant;

- the choice of the buyer will mainly depend on the offer consistency, on the financial and economic means, on the technical and industrial competence as to the management of the factories on sale, on the industrial programme and on the buyer's commitment to keep the present

employment levels;

- the offers, addressed in a sealed envelope, have to be analytical and clearly state the offered price, the payment conditions and the relevant guarantees. The offers should also enclose the industrial programme as well as any other details needed to allow a complete evaluation;

- the tenders, by previous agreement with the mortgages, may pay a part of the offered price by taking all existing loans upon themselves;

- the offers formulated as for the above, together with the consents and guarantees, should be deposited also in the form of a banking or insurance warranty corresponding to 10% of the offered price. The offers should be addressed to the offices of Notary Mr. Fausti Pier Luigi, Via Verdi,

14 - Bergamo - phone no. (035) 233632 within October 20, 1994, 5 p.m.;

- the receipt of offers does not engage Cavirvest S.p.A. in Extraordinary Administration in the transfer of the Company to the tenders. The

tenders, on the other hand, do not have any right to do any service at any title for Cavirvest S.p.A. in Extraordinary Administration;

- the envelopes will be opened in the offices of Notary Mr. Fausti Pier Luigi - Bergamo - On October 21, 1994 at 9.30 a.m.;

- will ask the authorisation of the Ministry, an essential condition for the transfer of the plant for sale, after the accomplishment of the above

mentioned procedures and once the opinion of the Surveillance Committee has been heard. The transfer of the Company will be defined within 30 days from receipt of authorisation of the Ministry.

Further information is available directly from:

Governmental Administrator  
Via Mattei Domini, 8  
Bergamo

Phone no. (035) 23816 Fax no. (035) 234773  
CAVIRVEST S.p.A.  
In Extraordinary Administration

The Property Finance Sourcebook 1994

Avoid expensive fees - go straight to the source. With this book you are the expert. The ultimate Property Finance Directory, indispensable for anyone interested in UK property. Call 071 495 1720.

## Minorco jumps 43% after operational shake-up

By Kenneth Gooding,  
Mining Correspondent

Minorco, the Luxembourg-quoted natural resources company controlled by the Anglo American-De Beers group of South Africa, had been firmly established as an operating, rather than a holding company, Mr Julian Ogilvie Thompson, chairman, said yesterday.

In spite of relatively weak metals prices for nearly all of the past 12 months, he reported that Minorco's operating earnings jumped by 43 per cent from US\$139.8m to a re-stated \$200.5m.

Earnings before tax for the 12 months to June 30 were lower at \$308.5m, against \$340m, because of reduced financial income and earnings from equity accounted investments as well as higher exploration expenditure.

Minorco was finally transformed into an operating company during the past year by the transaction which merged into it the international, non-diamond interests of Anglo American and De Beers.

The new assets included a wide range of natural resource and industrial interests in South America, European paper and packaging interests managed by Mondi European Holdings, Cleveland Potash, the UK's only potash mine, and a portfolio of investments based in South East Asia and Australia - most notably a 19.9 per cent interest in Noranda's biggest gold producer.

The company also bought a 50 per cent interest with Mondi in Aylesford Newsprint, which has started a \$250m expansion project in the UK, while its Terra offshoot is to acquire for \$400m the Agricultural Miner-

als and Chemicals group, more than doubling Terra's production of nitrogen fertilisers and establishing it as a major methanol producer.

Minorco, looking to expand its shareholder base and improve its international profile, has converted its unsponsored American depositary receipt programme into a sponsored programme by appointing Morgan Guaranty Trust as sole depositary.

Earnings before extraordinary items were down from \$251.9m to \$221.9m or from \$1.12 a share to 99 cents. Profit after extraordinary items was \$226.3m, against \$339.7m. Minorco is paying a second unchanged interim dividend of 38 cents. In order to change its 1994 calendar year accounting, the company is reporting for an 18-month period to end-December. It intends to pay a final dividend of no less than 38 cents.

## St Gobain up sharply to FF1.2bn at halfway

By John Riddling in Paris

Saint-Gobain, the French glass and building materials group, almost trebled first-half results, lifting net profits from FF452m in the first six months of last year to FF1.36bn (\$339m).

The sharp increase, above most analysts' forecasts, reflected improved economic conditions in most of the group's markets, lower financial charges and the positive impact of restructuring measures taken over the past two years.

The performance was welcomed by the company, whose shares have been hit over the past few weeks following the investigation of its chairman, Mr Jean-Louis Beffa, as part of a corruption probe.

The investigation, involving one of the company's subsidiaries, is one of several to affect leading French industrialists over recent months.

The improved result was achieved on sales of FF38.4bn in the first half of 1994, compared with a figure of FF35.74bn in the same period in 1993. Operating profits rose from FF2.34bn to FF3.5bn, while financial charges fell from FF830m to FF785m.

Turnover rose strongly on the American continent, and started to show a similar revival in Europe, according to the company. Last year, Saint-Gobain was badly affected by depressed demand in the construction and automobile sectors.

The company said all of its principal operating divisions had seen a significant increase in results, with the exception of piping. This activity saw stable results, reflecting weak demand in the European water sector.

Industry analysts predicted that the strong performance would continue in the second half of the year. They said that results would be boosted by exceptional gains of about FF500m resulting from the sale of its paper and packaging activities to Jefferson Smurfit of Ireland.

## Landmark ruling on Canadian telecoms

By Bernard Simon in Toronto

Canadian regulators will release a landmark ruling today which is expected to encourage greater competition in telecommunications, and to re-define the boundaries between telephone companies, broadcasters and cable-TV operators.

The report by the Canadian Radio-television and Telecommunications Commission (CRTC) follows several months of hearings at which groups from all sectors of the telecommunications industry urged a radical overhaul of the regulatory framework.

The CRTC began its review to accommodate the rapid evolution of telephone companies into providers of other services, and the increasingly blurred technologies of the telephone, cable-TV and computer industries.

The phone companies, such as Bell Canada, presently dominate Canada's telecom markets. The long-distance telephone market was opened to competition in 1992, but the phone companies continue to have a monopoly on local services.

Long-distance calls have in the past heavily subsidised local services. But growing competition in the long-distance market has spurred calls for an overhaul of local pricing and market entry.

Cable-TV operators are gradually moving towards the local phone market with the installation of fibre-optic networks equipped with two-way switches. Canadian homes have one of the world's highest penetrations of cable-TV.

On the other hand, the phone companies have pressed for greater freedom to enter the cable-TV and multimedia sectors.

When it gave notice of the review in late 1992, the CRTC indicated it wanted to bring down barriers to competition. "Regulatory streamlining will depend in part on the degree of effective competition in the market served by the telephone companies," it said.

Separately, Rogers Communications, Canada's biggest cable-TV operator, said yesterday it planned to dispose of the non-Canadian publishing operations of Maclean Hunter, the communications group being acquired by Rogers. MH publishes directories and periodicals in the US as well as eight European countries. These interests include a stable of advertising rate and data directories, and Bauerlag, a German construction publishing company. Rogers said it would retain MH's Canadian publishing interests.

## BBV appoints chief executive

By Tom Burns in Madrid

Banco Bilbao Vizcaya, yesterday appointed Mr Pedro Luis Uriarte chief executive and announced that Mr Javier Gurrpide, the institution's deputy chairman, was relinquishing his management responsibilities. This is the second management shake-up this week by a big Spanish bank.

The development at BBV followed Monday's announcement by Banco Santander that its chief executive Mr Rodrigo Echenique was stepping down.

His role in the bank is to be partially filled by Mr Matias Rodriguez Inclarte, promoted to second vice-president of the banking group, and by Ms Ana Patricia Botin, the daughter of Santander chairman Mr Emilio Botin, who was appointed a general director of the bank and the chief executive of its brokerage arm.

Although neither of the two rival banks has given reasons for the changes, both are understood to be broadly linked to the shake-out in Spanish banking last April

when Santander outbid BBV to acquire the Banesto banking group and established a clear lead over BBV as Spain's premier financial institution.

Mr Gurrpide is viewed as carrying the blame for BBV's failure to acquire Banesto while Mr Echenique is seen as not having been sufficiently enthusiastic about Santander's successful bid.

Mr Uriarte, 51, a general director of BBV since 1990, has been entrusted with the job of lifting morale and renewing the bank's aggressive edge.

## Elf Congo to sell oil field stake

By John Riddling in Paris

Elf Congo, a subsidiary of Elf Aquitaine, the French oil group, is to sell a 22.5 per cent stake in one of its biggest oil fields in the Gulf of Guinea to Chevron of the US.

Elf said yesterday the sale of the stake in the N'Kossa oil field and the Haute Mer permit would become effective following approval by the Congolese authorities. The French company declined to comment on

the price to be paid by Chevron.

The sale of the stake is in line with Elf's strategy of reducing investment costs and curbing its debt burden. The company is planning to reduce investment spending by 30 per cent this year to FF32bn (\$5bn).

The N'Kossa field is due to start production in mid-1996. Elf Congo, 75 per cent owned by Elf and 25 per cent by the Republic of Congo, will be the

operator on the two permits and will hold a 62.5 per cent stake in them. Chevron Overseas (Congo) will hold a 22.5 per cent stake and Hydro Congo, the state oil company, will hold 15 per cent.

Chargours, the French diversified industrial group, has swung back into profit in the first half of this year, agencies report. It posted a net profit of FF212m, compared with a loss of FF209m in the first half of 1993.

## Radler faces a Chicago challenge

Laurie Morse on the Hollinger chief's task at a top US newspaper

Mr David Radler, who is Conrad Black's right hand man in his international newspaper empire, sits in the publisher's suite at the Chicago Sun-Times ticking off his cost-cutting plans for the city's second-largest newspaper.

Aside from already announced lay-offs and buy-outs there's another \$7m to \$10m of non-salaried expenses which we'll be able to carve out," he says.

Mr Radler, chief operating officer of Canadian-based Hollinger Group, hopes to double the Chicago paper's profit margins to 14 per cent, or about \$30m, within the next two years. Last year the Sun-Times earned \$18m, a margin of 7.5 per cent.

He will be helped by a general recovery in the US economy and a cyclical rise in newspaper advertising line.

Squeezing profits out of the Sun-Times, the US's ninth-largest newspaper, is a key component in Hollinger's expansion strategy. The Chicago newspaper became Hollinger's long sought-after US flagship in March, when American Publishing, Hollinger's US subsidiary, bought it and 61 affiliated suburban Chicago publications from a syndicate of private investors for \$180m.

The Sun-Times acquisition more than doubled American Publishing's revenues, and places the group in a major urban US market for the first time.



David Radler: hopes to double paper's profit margins to 14%

York Daily News in 1992, "but we were unsuccessful".

The dogged search for dispensable expenses has shaken the Sun-Times from the press-room to the boardroom.

The paper's general manager, chief financial officer and controller departed shortly after American Publishing took hold, and the long-time Sun-Times publisher Mr Sam McKeel retired on July 31.

A new publisher (the equivalent of a chief executive) has not been named, but Mr Radler, who is based in Vancouver and is looking for an apartment in Chicago, says he will move into Mr McKeel's old office when he finds the time.

Among the rank-and-file, more than 50 employees have left or been laid off since March. Insiders say at least 100 Sun-Times employees will have left by December.

American Publishing aims to trim the Sun-Times' 1,500-person staff by 200 during its first two years of ownership.

However, cutting costs at the Sun-Times has not been easy.

The syndicate that sold the Sun-Times to the Hollinger group bought it from Rupert Murdoch in a leveraged buy-out in 1983. That deal left the paper laden with debt and with little cash for technology improvements, promotion, or wage increases.

Unlike the London Daily Telegraph, which Hollinger turned around smartly after buying it in 1987, the Sun-

Times is produced by a slim staff (labour accounts for only 35 per cent of costs) and its 35-cent daily cover price is already 15 cents below its rival, the Chicago Tribune, limiting opportunities for a price-based circulation war.

"This is not Fleet Street, not in terms of management or technology," says Mr Radler. "The Telegraph was a 1940s newspaper. The Sun-Times is a 1970s paper," he says.

One of Mr Radler's concerns is replacing the Sun-Times' elderly presses with technology that will print colour advertising supplements and employ fewer pressmen. The upgrade is expected to cost \$75m to \$80m.

He is also faced with difficult labour talks with the guild representing the paper's 265 newsroom employees over pay. The current three-year contract expires on September 31 and negotiations are at a standstill.

Mr Radler shrugs off the possibility of a strike, saying neither side wants one, while noting that Hollinger readily weathered a 62-day strike at its Quebec City newspaper last year.

Hollinger's purchase, however, should engender confidence that Chicago will remain a two-newspaper town. "Chicago is a good city," says Mr Radler. "It's competitive, but we're confident about doing business here."

**N.V. Koninklijke Nederlandsche Petroleum Maatschappij**  
(Royal Dutch Petroleum Company)  
Established at The Hague, The Netherlands

**Interim dividend 1994**

The Supervisory Board and the Board of Management of Royal Dutch Petroleum Company have decided to pay an interim dividend in respect of the financial year 1994 of N.fl. 3.80 on each of the ordinary shares with a par value of N.fl. 5.

For holders of bearer certificates with coupons this interim dividend will be payable against surrender of coupon No. 209 on or after 27th September, 1994, at the offices of:

**Barclays Bank PLC,**  
Barclays Global Securities Services  
8 Angel Court, Throgmorton Street,  
London, EC2R 7HT  
on business days between the hours of 9.30 a.m. and 2 p.m.

Payment will be made in sterling at the buying rate of exchange current in London at 2 p.m. on 22nd September, 1994, in the case of coupons presented on or before that date, or on the day of presentation in the case of coupons presented subsequently. Coupons must be accompanied by a presentation form, copies of which can be obtained from Barclays Bank PLC.

For holders of shares of which the dividend sheets are, at the close of business on 16th September, 1994, in custody of a Depositary admitted by the Centrum voor Fondsenadministratie B.V., Amsterdam, this interim dividend will be paid to such Depositary on 27th September, 1994. Such payment will be effected through Barclays Bank PLC, after receipt by them of a duly completed CF Dividend Claim Form.

Where under the double tax agreement between the United Kingdom and the Netherlands 15 per cent Netherlands dividend tax has been withheld, the 15 per cent Netherlands tax is allowable for a resident of the United Kingdom as a credit against the United Kingdom income tax payable in respect of the dividend. The deduction of United Kingdom income tax at the reduced rate of 5 per cent instead of at the basic rate of 20 per cent represents a provisional allowance of credit at the rate of 15 per cent.

Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom income tax at the basic rate.

The Hague, 15th September, 1994  
THE BOARD OF MANAGEMENT

**THE BATAVIA FUND LIMITED**  
Notice of Annual General Meeting

Please note that the Annual General Meeting will be held on Wednesday 23 September 1994 at 10.00 a.m. at the offices of the Company, 25 Avenue des Arts, 1040 Brussels.

For holders of shares of which the dividend sheets are, at the close of business on 16th September, 1994, in custody of a Depositary admitted by the Centrum voor Fondsenadministratie B.V., Amsterdam, this interim dividend will be paid to such Depositary on 27th September, 1994. Such payment will be effected through Barclays Bank PLC, after receipt by them of a duly completed CF Dividend Claim Form.

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Where appropriate, the usual affidavit certifying non-residence in the United Kingdom will also be required if payment is to be made without deduction of United Kingdom income tax at the basic rate.

The Hague, 15th September, 1994  
THE BOARD OF MANAGEMENT

This notice is issued in compliance with the requirements of The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("the London Stock Exchange"). It does not constitute an offer or invitation to any person to subscribe for or purchase any securities.

Application has been made to the London Stock Exchange for the New Shares and New Warrants of the Czech & Slovak Investment Corporation Inc. ("the Fund") to be admitted to the Official List. It is expected that dealings in the New Shares and New Warrants will commence separately on 22nd September, 1994. No application has been made for the New Units to be admitted to the Official List.

**Czech & Slovak Investment Corporation Inc.**  
(an exempted company incorporated with limited liability under the laws of the Channel Islands with registered number 30675)

**Placing of**  
349,742 New Units  
at a price of US\$73.50 per New Unit payable in full on subscription subject to a minimum subscription of US\$100,000

Sponsored by Robert Fleming & Co. Limited

Each New Unit will consist of 7 new ordinary shares issued at a price of US\$0.50 each and one new warrant entitling the holder to subscribe for one further new ordinary share at a price of US\$0.50 (subject to adjustment) at any time from 22nd September, 1994 up to and including 22nd September, 2004. On 22nd September, 1994, the Fund will also make a bonus issue to the existing shareholders of one New Warrant for every 22 ordinary shares held.

Listing particulars are available for collection during normal office hours up to and including 16th September, 1994 from the Company's Announcements Office, the London Stock Exchange, London Stock Exchange Tower, Chapel Court entrance off Bartholomew Lane, London EC2A 4HP, on any weekday (Saturdays and public holidays excepted) for a period of 14 days from the date of this notice.

**Robert Fleming & Co. Limited**  
25 Coptic Hall Avenue  
London EC2R 7DR  
16th September, 1994

**The "Shell" Transport and Trading Company, Public Limited Company**

**Interim dividend 1994**

Notice is hereby given that a balance of the Register will be struck on Thursday, 13th October, 1994 for the preparation of warrants for an Interim dividend for the year 1994 of 11.2p per 25p Ordinary share payable on 3rd November, 1994.

For transferees to receive this dividend, their transfers must be lodged with the Company's Registrar - Lloyds Bank Registrars, The Causeway, Worthing, West Sussex BN99 6DA, not later than 3pm on 13th October, 1994.

**SHARE WARRANTS TO BEARER**

The Coupon to be presented for the above dividend will be No. 192 which must be deposited at Lloyds Bank Plc, Registrar's Department, Issues Section, Ground Floor, P.O. Box 1000, Antholm House, 71 Queen Street, London EC4N 1SL (not later than 13th October, 1994, to receive payment on 3rd November, 1994) or may be surrendered through Messieurs Lazard Frères et Cie, 121 boulevard Haussmann, 75382, Paris Cedex 08.

**BY ORDER OF THE BOARD**  
Miss J. E. Muniff  
Secretary

Shell Centre,  
London SE1 7NA  
15th September, 1994

**MINORCO**

"These results firmly establish Minorco as an operating company. Despite relatively weak metals prices for almost all of the twelve months, our operating earnings have increased significantly as a result of the diversity of our natural resource interests."

J. Ogilvie Thompson, Chairman

- Operating earnings increased by 43% to US\$201 million - strong contributions from the Industrial Minerals and Agribusiness sectors.
- Earnings before extraordinary items decreased by 12% to US\$222 million.
- Investment disposals realised US\$508 million and Minorco invested US\$480 million in existing and new businesses.
- Major projects commenced - expansion and redevelopment at Mantos Blancos in Chile and construction of a major newsprint facility at Aylesford Newsprint in the UK.
- Encouraging results from the continuing evaluation of five major base metals and gold projects in South America.
- In August 1994, Terra announced the proposed acquisition of Agricultural Minerals and Chemicals - more than doubling its production of nitrogen fertilisers and establishing it as a US major producer of methanol.
- Second interim dividend of 38US cents per share.

FOR THE TWELVE MONTHS TO JUNE 30		
US\$ millions:	1994	1993
(unaudited)		Revised
Sales	3,136.1	2,776.4
Operating earnings	200.5	139.8
Earnings before taxation	308.8	340.0
Earnings before extraordinary items	221.9	251.9
Earnings after extraordinary items	226.3	339.7
US\$ per share:		
Earnings before extraordinary items	0.99	1.12
Dividends declared	0.57	0.57

\*Based for the current and prior periods on 225.1 million shares in issue.

### SECOND INTERIM DIVIDEND

A second interim dividend of 38US cents has been declared in respect of the 18 month period to December 31, 1994 and is payable on November 9, 1994 to shareholders of record on October 13, 1994. A second interim report for the twelve months to June 30, 1994 will be mailed to all shareholders on or about September 27, 1994. Copies may be obtained from the UK transfer agent, Barclays Registan, Broom's House, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, England.

### MINORCO

MINORCO SOCIETE ANONYME, LUXEMBOURG, SEPTEMBER 15, 1994



This Announcement Appears as a Matter of Record Only.

**MEPC****A\$500,000,000  
Commercial Paper Programme****A\$500,000,000  
Medium Term Note Programme****Issuer**MEPC Australia Limited  
ACN 000 344 196**Guarantor**

MEPC plc

**Dealers**Commonwealth Bank of Australia  
ACN 123 123 124National Australia Bank Limited  
ACN 004 044 937Westpac Banking Corporation  
ABN 007 457 141**Programme Arranger/Manager  
Issuing and Paying Agent****Commonwealth Bank Australia**

August 1994

**Philips Electronics N.V.**  
(formerly N.V. Philips' Gloeilampenfabrieken)**Important notice to holders of bearer share certificates in K-form, with dividend coupons and talon attached.**

On 15th May 1991, N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken changed its name to Philips Electronics N.V. This company merged with its wholly owned subsidiary N.V. Philips' Gloeilampenfabrieken on 6th May 1994. According to article 6 of the Articles of Association of Philips Electronics N.V. in their form after the merger, the company has no bearer share certificates in K-form. Every share certificate in K-form, issued before the merger, gives the right to obtain from the company:

- an international "CF" certificate,
- a registered share (not directly tradable on the Stock Market) in the form of an entry in the company's own share register in the Netherlands and without the issue of a certificate or document of title, or
- a registered share in the form of an entry in the share register in New York with the issue of a certificate and tradable on the New York Stock Exchange.

In order to receive dividends and other distributions and to execute any other of their shareholders-rights, the holders of share certificates in K-form will have to exchange such certificates into one or more of the other forms mentioned above.

In this context, holders of issued share certificates in K-form are requested to surrender such certificates, together with coupons numbered 151 to 179 and the talon, for exchange at

**Hill Samuel Bank Limited**  
Securities Department  
8th Floor  
10 Fleet Place  
London EC4M 7RH  
Tel: 071-2033307  
Fax: 071-2033043

The conversion will be effected for the same number of shares surrendered.

During the period from 3 October 1994 up to and including 25 November 1994, Philips Electronics N.V. will bear the conversion expenses.

Shareholders wishing to receive international "CF" certificates be informed that such certificates can only be held by an authorised depositary and therefore shareholders should make their own bank custody arrangements before the exchange can take place. The depositaries are mainly the UK Clearing Banks. Shareholders wishing to receive registered shares should contact Hill Samuel Bank.

Eindhoven, 16 September 1994  
Philips Electronics N.V.

**PHILIPS****U.S. \$400,000,000****Santander Financial Issuances Limited**  
(Incorporated in the Cayman Islands with limited liability)**Subordinated Undated Variable Rate Notes**

with payment of interest subject to the profits of and secured by a subordinated deposit with  
**Banco Santander, S.A.**  
(Incorporated in Spain with limited liability)

Notice is hereby given, that for the Interest Period from September 15, 1994 to December 15, 1994 the Notes will carry an interest rate of 5.8125% per annum. The amount of interest payable on December 15, 1994 will be U.S. \$3,673.19 per U.S. \$250,000 principal amount of Notes.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank  
September 16, 1994

**CNT**

Caisses Nationales des  
Télécommunications  
FF 2,000,000,000  
Floating Rate Bonds  
due 1997

Notice is hereby given that the Interest Period 15th September, 1994 to 15th December, 1994 the Bonds will carry a Rate of Interest of 5.625 per cent. per annum with a Coupon amount of FF 142.19 per FF 100,000 Bond and FF 1,421.88 per FF 100,000 Bond. The relevant Interest Payment Date will be 15th December, 1994.

By: Bankers Trust  
Company, London, Agent Bank

**BANK OF GREECE**

U.S.\$500,000,000

Floating rate notes 1998

Notice is hereby given that the notes will bear interest of 5.8125% per annum for the period 16 September 1994 to 16 December 1994. Interest payable on 16 December 1994 per U.S.\$1,000 note will amount to U.S.\$14.69.

Agent: Morgan Guaranty  
Trust Company  
JPMorgan

**The Emerging Dynamic Fund plc**

U.S. \$30,000,000

Floating Rate Notes due 1997

For the six month Interest Period 15th September, 1994 to 15th March, 1995, the Notes will carry an interest rate of 5.8125% per annum with an interest amount of U.S. \$3,462.88 per U.S. \$100,000 Note.

By: Bankers Trust  
Company, London, Agent Bank

**NOTICE TO HOLDERS OF EUROPEAN RECEIPTS (EDRS) IN MAKITA CORPORATION**

U.S. \$200,000,000

Floating Rate Notes due 1998

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record on September 30, 1994. Furthermore, it has been decided that the shares will be traded ex-dividend on the Japanese Stock Exchange with effect from September 27, 1994. Subject to approval of the dividend, a further notice will be published, after receipt of the dividend by the Depositary, stating the amount and actual date of payment of such dividend together with the procedure to be followed for obtaining payment.

CITIBANK, N.A., London, September 16, 1994 Depositary.

**BRADFORD & BINGLEY**

U.S. \$200,000,000

Floating Rate Notes due 1998

In accordance with the terms and conditions of the Notes, the interest rate for the period 15th September, 1994 to 15th December, 1994 has been fixed at 5.5375% per annum. The interest payable on 15th December, 1994 against the Coupon 'A' will be £148.03 per £100,000 nominal.

By: Bankers Trust  
Company, London, Agent Bank

**U.S. \$200,000,000****MARINE MIDLAND BANK, INC.**

Floating Rate Notes Due 2000

Interest Rate 5.5% p.a.  
Interest Period 15th September 1994 to 15th December 1994  
Interest Amount per U.S. \$250,000 Note due 15th December 1994 U.S. \$62.50  
By: Citicorp Bank, New York, Agent

Petroleum Argus Oil Market Guides  
Comprehensive explanations of the oil market  
**Petroleum Argus**  
CALL 0181 606 1000 or 0181 606 1001

**INTERNATIONAL COMPANIES AND FINANCE****Chaebol lead quest for growth**

Korea's industry leaders are investing heavily, writes John Burton

Hyundai Motor today will break ground for a new car plant at its Asan complex in what is part of a rapid expansion of production capacity by Korean industry this year.

Plant and research investments by the country's 30 biggest conglomerates, or chaebol, are expected to increase by 55 per cent to an estimated Wn24,200bn (\$30bn) in 1994, according to the ministry of trade and industry.

The Hyundai group is leading the field with Wn4,500bn in investments, followed by Samsung with Wn3,700bn and Lucky-Goldstar with Wn2,800bn.

The large spending on industrial facilities is in response to a sudden rise in exports. The weakening of the Korean won against the Japanese yen has lifted overseas shipments of electronics, cars, steel and ships. Investment spending is contributing to a recovery of the Korean economy, with GNP expected to grow 8.3 per cent this year.

Korea's industrial base is impressive. It has the world's second-biggest shipbuilding industry, and ranks fifth in textile and petrochemical production and sixth in electronics, cars and steel.

However, analysts warn that Korean industry's quest for greater size is being conducted at the expense of improvements in product quality, and may leave companies with excess production capacity if global demand weakens and the Korean currency appreciates.

"It's either feast or famine for Korea," said Mr James Osborne, head of research at W.I. Carr Securities in Seoul. "When global demand is good, Korea has the capacity to cover it quickly. But the down-

side is that it is left with surplus capacity when demand falls."

Moreover, there are doubts whether a production increase is wise when Korea is beginning to dismantle trade barriers, which have protected its lucrative domestic market, in preparation for joining the Organisation for Economic Co-operation and Development in 1996.

The production expansion is being encouraged by the government, which traditionally paid little regard to market conditions in its ambition to transform Korea into an industrial powerhouse.

Industrial investments are largely being financed by state-subsidised bank loans, which enable the chaebol to undertake the large spending, in spite of their high debt-equity ratios of 200 per cent to 300 per cent.

The new Hyundai car plant, for example, is part of a government programme, known as X-4, to make Korea the world's fifth largest motor producer by doubling capacity to 4.65m vehicles by 2000. Korea's other main car companies, Kia and Daewoo, are increasing capacity, while Samsung is expected to start car production in 1996.

The shipbuilding and petrochemical industries, which suffered losses a few years ago due to surplus capacity, are

expanding production facilities in anticipation of increased world demand.

However, the OECD recently warned that a plan by Korea's three main shipbuilders, Hyundai, Daewoo and Samsung, to expand their shipbuilding yards by 50 per cent could cause a glut in the global industry and lead to a price-cutting war with Japan and other nations.

Although the production increase has received the approval of the state, the chaebol are clashing with the government over plans to expand their sprawling industrial empires into new sectors.

The administration of President Kim Young-sam has adopted a policy of forcing the chaebol to concentrate on a few of their existing activities, in an attempt to reduce their economic dominance and prevent them from spreading their resources too thinly. The government, for example, recently proposed that the chaebol should cut their stakes in non-group companies to 25 per cent or less by 1998.

The chaebol argue that they must diversify into new industries that offer high-growth potential. "Korean companies should concentrate on specialised or niche industries, but without government guidance on what areas they should

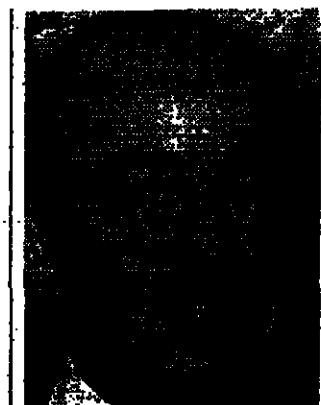
pick," said Mr Lee Hahn-koo, president of the Daewoo Economic Research Institute, which is affiliated with Korea's fourth-biggest chaebol.

Samsung and Hyundai are challenging the government on this issue. Samsung wants to enter the car passenger industry by 1997 through a technical joint venture with Nissan of Japan. "We need car production to maintain our position as a leading producer in the machinery industry," said one executive with Samsung Heavy Industry. "The government is threatening to reject Samsung's licence with Nissan in an attempt to block the project."

Hyundai recently said it planned to build a large plant to produce cold- and hot-rolled steel. "The project makes sense from Hyundai's perspective since it would contribute to its integrated industrial strategy. Hyundai is the largest consumer of steel in Korea and having its own source of steel would lower production costs for its car and ships," said Mr Keith Nam, head of research at H.C. Asia Securities in Seoul.

Although Korean industry is expressing few qualms about the sudden burst in capacity leading to excess production, companies in the car and steel industries are using this argument to support the government efforts to stop the Samsung and Hyundai projects. They fear the entry of new competitors will undercut their market share.

For example, state-controlled Pohang Iron and Steel, Korea's largest steelmaker, would lose its biggest customer if Hyundai proceeds with its plans. It recently announced an expansion of its steel production in an attempt to squeeze out Hyundai and maintain its monopoly on cold and hot-rolled steel.



Adnan Khashoggi: holdings worth more than \$13bn

**Brokers say Khashoggi is buying Thai stakes**By Victor Mallat  
in Bangkok

Mr Adnan Khashoggi, the Saudi businessman and arms dealer, is involved in negotiations to buy stakes worth more than \$13bn (\$12bn) in three listed Thai companies, according to company announcements and stockbrokers in Bangkok.

The Stock Exchange of Thailand has suspended trading of shares in the three companies while the deals are negotiated. The companies are Jalsapathan Cement, Semiconductor Ventures International (SVI) and Morakot Industries, which produces and distributes palm oil.

None of the companies is regarded as a blue chip investment and there has been no immediate comment from the Paris-based Mr Khashoggi on his intentions. Brokers say the deals are being negotiated by Mr Rakesh Saxena, a corporate financier and adviser to Bangkok Bank of Commerce.

SVI, an electronic components manufacturer, said large shareholders had signed a memorandum of understanding to sell Mr Khashoggi 40 per cent of the company by September 23 in a deal worth \$150m.

Jalsapathan said its main shareholders planned to sell a quarter of the company's shares to foreign buyers - said by brokers to be Mr Khashoggi and his associates - by the same date. At the market price that stake would be worth \$150m.

Morakot released no details of the sale of its stock, but brokers said 47 per cent of the company, a stake worth \$13.1bn, was being offered to Mr Khashoggi.

**Hellenic Bottling rises 41% to Dr13bn**

By Karin Hope in Athens

Hellenic Bottling Company, the Coca-Cola franchise holder for Greece, Bulgaria and Northern Ireland, reported a 40.9 per cent rise in pre-tax profits to Dr12.5bn (\$22m) for the first half, helped by a strong performance by its fruit juice division.

Turnover rose 24.5 per cent in the same period to Dr68.1bn. HBC, part of the Cypriot-owned Leventis group which holds the Coca-Cola franchises for Nigeria and Northern Ireland, said first-half income generated outside Greece amounted to Dr1.1bn.

The company said sales volume in Greece showed healthy growth, in spite of increased competition in soft drinks and juices.

HBC has a 65 per cent share of Greece's soft drinks market and about 40 per cent of the fruit juice market, where its Amrita brand has maintained its position in spite of the arrival of a wide variety of refrigerated juices.

In Bulgaria, where HBC controls five joint ventures with local soft drinks bottlers, sales of Coca-Cola products rose 40 per cent while pre-tax profits were up 163 per cent.

HBC said its strong performance in Bulgaria resulted from the launch of Sprite and Fanta and improvements in distribution.

**Dairy Farm to cancel HK listing**

By Louise Lucas in Hong Kong

Dairy Farm International, the food retailing arm of Hong Kong's Jardine Matheson group, yesterday said it would follow Jardine Matheson and withdraw its secondary listing from the Hong Kong stock exchange from March 31 of next year.

The decision, widely anticipated, accompanied a disappointing set of interim results. First-half net profit grew 59 per cent, to US\$108.4m from US\$68.1m in the same period last year. But this was almost wholly reliant on a US\$41.8m exceptional item from the sale

of a factory site in Hong Kong by its joint venture with Nestlé, the Swiss foods group.

Turnover rose 11 per cent to US\$2.6bn from US\$2.4bn, partially lifted by a 2 per cent movement in exchange rates.

Mr Simon Keswick, chairman, pointed to severe competition and noted: "While the overall result for the year will be enhanced by the exceptional gain recorded in the first half, the operating profit is likely to remain at a similar level to 1993."

The interim operating profit was US\$65.8m, an increase of 3.7 per cent on last year's US\$63.1m.

Pre-tax and interest earnings from Asia swelled 17 per cent to US\$38m, with Taiwan making its first significant contribution, according to analysts. The group is shortly expected to disclose further ventures in Asian markets, including Indonesia.

Earnings from Australasia fell 10 per cent, mainly due to increased operating costs for extended trading hours and start-up costs of the fresh food chain which will complement Franklins.

In New Zealand, Woolworths maintained market share but suffered from the industry-wide erosion in margins

caused by strong competition.

Sinago, the Spanish operation, continued as Dairy Farm's biggest bugbear. Continued losses from Sinago held back European operations which chalked up a loss of US\$7.8m, marginally less than last year's US\$8.5m.

Earnings per share before the exceptional item were unchanged at 4 US cents; including the exceptional gain earnings per share rose 50 per cent to 5.99 US cents.

Directors are proposing a 1.65 US cent dividend, a 6 per cent improvement over the 1.55 US cents paid out last year.

**Strong first half for Indosuez**By Alice Rawsthorn  
in Paris

Banque Indosuez, the French investment bank and subsidiary of the Suez holding company, yesterday announced net profits of FF41.12bn (\$76.88m) for the first six months of this year, a 24 per cent increase over half of its total net profits for last year, when interim results were not announced.

Mr Gérard Worms, chairman of Indosuez and Suez, described the interim results as good given that Indosuez, like other French banks, had "not had an easy year in the markets, particularly in the bond markets".

Indosuez had net banking income of FF6.62bn in the first six months of 1994 against

FF6.59bn, which represents half its 1993 net banking income. Gross operating profits were FF1.99bn in the interim period, compared with FF1.15bn for half of 1993.

The bank had a tough time in 1993 when it was forced to make heavy provisions on its exposure to the weak French property market and on corporate loans, following a steep increase in business failures. These problems have eased and the level of provisions is expected to fall this year. It was set at FF632m for the first half against FF1.13bn for half of 1993.

However, Indosuez - which, like many French banks, benefited from windfall trading profits during last year's European currency crises - did not

fare so well in its market trading activities during the first half. Income from trading in equity, interest rate and currency markets was down in the interim period.

Conversely, the bank fared well in its US capital market activities and in Asian investment banking. Indosuez yesterday said it planned to extend its presence in China after receiving permission to open a branch in Guangzhou. It has a branch in Shanghai and offices in Beijing and Shenzhen.

The Guangzhou opening forms part of the Suez group's Asian interests following the recent sale of a large part of Victoire, the French insurance company, to Commercial Union of the UK.

**Kellogg tackles Indian food habits**By Neazneen Karmali  
in Bombay

Kellogg, the US cereals company, yesterday launched a campaign to change breakfast habits in India as its products appeared in Bombay shops.

The company, which has built a \$20m factory at Talaja, near Bombay, described the move as "the largest venture that Kellogg has ever entered". It first set up a liaison office in

New Delhi in 1986, and under the government's liberalisation measures the company has since established a 100 per cent-owned subsidiary in India.

Kellogg is targeting some 150m middle-class consumers in a country where breakfast traditionally consists of hot, savoury local food and where cereal breakfasts are virtually unknown.

Kellogg executives said the company was committed to

spending \$80m over two years in India, and hoped to export to south-east Asian markets.

Ingredients were being sourced locally, said Mrs Damini Dias, Kellogg India's finance director, who added that the company had been involving farmers in Punjab, Andhra Pradesh and Madhya Pradesh.

The cereals will gradually be introduced to other cities and the range expanded.



# US Treasuries improve on better inflation data

By Frank McGurty in New York and Antonio Sharpe and Martin Brice in London

US Treasury bonds improved yesterday morning on a regional economic report which suggested the market may have over-reacted to August inflation data.

By midday, the benchmark 30-year government bond was a better at 9.74, with the yield slipping to 7.64 per cent. At the short end, the two-year note was up 1/8 at 10.04, to yield 6.248 per cent.

After trading slightly higher in the previous afternoon, bonds across the board continued to show slow but steady progress in the early hours.

The market appeared to be pulling out of the slump triggered at the end of last week, when the Labor Department revealed a surprisingly sharp upturn in producer prices.

Yesterday, the news on inflation was decidedly different. The Federal Reserve Bank of Philadelphia, in its monthly survey of business conditions

in the area, revealed an unexpected drop in the index designed to gauge whether manufacturers were paying higher or lower prices for raw materials. The index measuring prices received for finished goods also tumbled.

The trend was especially welcome because such surveys are viewed as reliable leading indicators, in contrast with the producer and consumer price indices, which look back at the previous month's inflation levels.

The commodity markets also provided positive reinforcement, as prices for many goods slumped during the morning. Amid these favourable developments, the market was able to ignore the marginally troublesome announcement that initial claims for unemployment benefit had declined by 3,000 last week.

As the afternoon commenced, traders were beginning to turn their attention to today's figures on industrial production and capacity utilisation.

The data should provide additional clues on the direction of the economy over the coming month.

Activity was limited, with many traders sidelined in observance of Yom Kippur, the Jewish day of atonement.

European government bond markets rallied late in the afternoon on the back of stronger US Treasuries, which

## GOVERNMENT BONDS

caused dealers to cover their short positions. However, little genuine buying was detected.

German government bonds were supported by the widely expected decision by the Bundesbank to leave its discount and Lombard rates unchanged after its regular meeting. It also decided to keep the repo rate fixed at 4.85 per cent for the next two weeks. On Liffe, the December bond future rose 0.50 points to 89.24 while in the

cash market, yields on 10-year bonds fell 11 basis points to 7 1/4 per cent.

"If the Bundesbank had cut rates the bond market would have collapsed because it would not have made sense in domestic or international terms," said Mr Stephen Hannah, head of research at IBI International.

In his view, bonds were still too optimistic about German rates next year even after their recent fall. "We are expecting rates to be 50 basis points higher than the levels which have been priced into the market," Mr Hannah said.

Analysts said the tone of the market remained fragile and yields on 10-year bonds could move up to 7 1/2 per cent if next week's state of data was above expectations. German M3 for August is due on Monday while regional cost of living figures are expected to emerge during the course of next week.

The market is also gearing up to an auction of bonds by the Bundesbank next week.

The new paper is likely to have a 10-year maturity though there is an outside chance that the Bundesbank will go for a 30-year term.

UK gilts moved ahead by almost a point, buoyed up by rises in overseas bond markets and the removal of stock which had been hanging over the market.

Two tranches of conventional gilts were exhausted in the morning, which gave the market confidence to move ahead, said Mr Robert Thomas at NatWest Markets. He said that a near-term rally was likely because yields were now near the 9 per cent level. "In the past, this has enticed people back into the market," he said.

The market faces two important events today. In the morning the August PSBR figures are due and a gilt auction announcement is expected in the afternoon. Some analysts expect the Bank of England to create a new 10-year benchmark gilt.

The market shrugged off a larger than expected 0.3 per cent fall in August retail sales, and Mr Michael Pratt at Kidder Peabody put this reaction down to the market's continued preoccupation with inflation and what it was likely to do over the coming year.

The yield spread between gilts and bonds narrowed from around 150 basis points on Wednesday to around 144 yesterday. On Liffe, the December long gilt future was at 99 1/4 in late trading, up 1/8 on the day.

Stories of hedge fund buying added to the positive tone in the Italian government bond market, where the auctions of three-year and five-year Treasury notes were oversubscribed. On Liffe, the December Italian government bond future rose 1.34 points to 97.93.

Spanish government bonds were lifted by news that the government might relax the tax law for domestic bondholders. The yield on the 10-year government bond fell 31 basis points to 11.14 per cent.

# Liffe concedes defeat in battle of German Bobl

By Tracy Corrigan

Liffe has conceded defeat in one of its battles with Germany's Deutsche Terminbörse for dominance of the market in German interest rate products.

The London-based exchange has delisted its future on medium-term German government bonds, known as the Bobl future, which was not traded in July and traded only 53 contracts in the whole of August. The exchange sent a notice to members on September 7 that the DTFB has a rival Bobl contract, which would have an average daily volume of 16,800 contracts in August.

However, Liffe still dominates trading in the two most important German interest rate futures, the bund (long-term bond) and Euro-mark (short-term interest rate)

contracts. It currently trades around 115,000 bund contracts and 98,000 Euro-mark contracts daily, representing market shares of 70 per cent and 98 per cent respectively.

According to a Liffe official, the Bobl contract appealed more to domestic than international investors.

However, the DTFB said its success in the Bobl contract was largely due to having launched the contract first, in October 1991. Liffe did not introduce its Bobl contract until January 1993, by which time the DTFB had already established.

Competition between the two exchanges is unlikely to abate, however, as the Deutsche Terminbörse is seeking to attract more international participants through its linkage with France's Matif.

# Asset-backed offerings in Canadian dollars and lire

By Graham Bowley and Martin Brice

Two asset-backed offerings were launched in the eurobond market yesterday in an otherwise quiet session which saw a number of small-sized issues mainly targeted at European retail investors.

European Sovereign Investments, a bond-arbitrage company based in Luxembourg, which issues bonds backed by a pool of European government bonds, launched its debut offering in the Canadian dollar sector, with a C\$125m issue of bonds due January 1998.

The issue was priced to yield 32 basis points over Canadian government three-year paper and found demand from institutional investors in the UK.

## INTERNATIONAL BONDS

and Belgium and from retail investors, primarily in Switzerland and the Benelux region, lead manager Wood Gundy said. The spread widened slightly to 34 basis points after the syndicate broke.

In the lira sector, US Guarantied Finance Corporation, a

special-purpose vehicle which issues bonds backed by the US Export and Import Bank, launched a \$350m offering of 12-year floating-rate notes. This is the first such non-US dollar offering and the longest-dated eurodollar bond ever issued, according to joint lead manager Citibank.

Also in the lira sector, Peugeot Finance International tapped the shorter end of the sector with a \$150m offering of three-year bonds with a coupon of 12 per cent. Demand for the paper came from Italian institutional and retail investors and investors in France,

Switzerland and the Benelux countries, lead manager Credit Italiano said.

JP Morgan is arranging a debut eurobond for San Miguel, the Philippines brewing and food company and the country's largest manufacturing enterprise.

## NEW INTERNATIONAL BOND ISSUES

Borrower	Amount	Coupon	Price	Maturity	Yield	Spread	Book runner
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas
FRANCE (FRANCE)	500	7.00	99.85	Apr 1998	undf.	-	Barclays Paribas

## WORLD BOND PRICES

### BENCHMARK GOVERNMENT BONDS

Coupon	Ref. Date	Price	Day's change	Yield	Week ago	Month ago
Australia	9/10/94	99.1800	+0.0500	10.10	9.88	9.28
Belgium	9/10/94	91.8000	+0.40	8.59	8.59	8.59
Canada	9/10/94	95.3500	+0.2500	6.77	6.54	6.88
Denmark	9/10/94	96.1800	+0.4500	9.13	9.08	9.03
France	9/10/94	101.8500	+0.1300	7.48	7.39	7.31
Germany	9/10/94	94.8800	+0.4000	6.03	5.98	5.93
Italy	9/10/94	81.0000	+0.7000	7.50	7.45	7.21
Japan	9/10/94	101.8500	+0.1300	11.88	12.02	11.72
Netherlands	9/10/94	98.8700	+0.8400	7.44	7.42	7.22
Spain	9/10/94	81.8500	+1.4500	11.18	11.22	11.17
UK	9/10/94	99.1800	+0.1300	6.58	6.51	6.41
US Treasury	9/10/94	102.0600	+0.2500	6.74	6.58	6.68
US Treasury	9/10/94	102.0600	+0.2500	6.74	6.58	6.68
US Treasury	9/10/94	102.0600	+0.2500	6.74	6.58	6.68
US Treasury	9/10/94	102.0600	+0.2500	6.74	6.58	6.68
US Treasury	9/10/94	102.0600	+0.2500	6.74	6.58	6.68

London closing, New York mid-day. Prices include withholding tax at 12.5 per cent payable by non-residents. Source: M&M International

### US INTEREST RATES

Instrument	One month	Three month	Six month	One year	Two year	Three year	Five year	Seven year	Ten year	30-year
Libor	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
Fed funds	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
Prime rate	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
US Treasury	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
US Treasury	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50

### BOND FUTURES AND OPTIONS

France

### INTERNATIONAL FRENCH BOND FUTURES (MATF)

Open	Settle	Change	High	Low	Est. vol.	Open int.
Sep	110.24	+0.23	110.28	110.20	108.13	110.43
Oct	110.24	+0.23	110.28	110.20	108.13	110.43
Nov	110.24	+0.23	110.28	110.20	108.13	110.43

### LONG TERM FRENCH BOND OPTIONS (MATF)

Strike	Oct	Nov	Dec	Jan	Feb	Mar
111	0.77	1.01	1.00	0.58	1.43	2.44
112	0.38	1.00	1.43	1.14	1.80	-
113	0.12	0.67	-	-	2.47	-
114	0.04	0.43	-	-	3.15	-
115	-	0.24	-	-	3.07	-

Est. vol. total, Call 25,621 Puts 36,108. Previous day's open int. Call 203,770 Puts 293,293.

### Germany

### INTERNATIONAL GERMAN BOND FUTURES (LFFE) DM250,000 100ths of 100%

Open	Settle	Change	High	Low	Est. vol.	Open int.
Dec	88.77	+0.08	88.75	88.73	95,657	143,088
Mar	88.14	+0.09	88.14	88.14	1	1,095

### BUND FUTURES OPTIONS (LFFE) DM250,000 points of 100%

Strike	Oct	Nov	Dec	Jan	Feb	Mar
8800	0.53	0.45	1.09	1.27	0.30	1.34
8850	0.35	0.45	1.09	1.27	0.30	1.34
9000	0.16	0.52	0.85	1.02	0.84	1.30

Est. vol. total, Call 11,627 Puts 44,110. Previous day's open int. Call 391,770 Puts 181,208.

### UK GILTS PRICES

Notes	Yield	Price	1994	Notes	Yield	Price	1994
10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00
10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00
10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00

Source: All rates up to five years.

10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00
10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00
10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00
10/15	8.75	100.00	100.00	10/15	8.75	100.00	100.00

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### Italy

### INTERNATIONAL ITALIAN GOVT. BOND (ITTF) FUTURES

Open	Settle	Change	High	Low	Est. vol.	Open int.
Dec	96.85	+0.12	96.10	96.83	47,806	61,869
Mar	97.37	+1.38	-	-	640	-

### ITALIAN GOVT. BOND (ITTF) FUTURES OPTIONS (LFFE) Lira200,000 100ths of 100%

Strike	Dec	Mar	Dec	Mar
9680	2.30	2.25	2.26	2.89
9690	2.04	2.04	2.52	3.17
9700	1.80	1.84	2.78	3.47

Est. vol. total, Call 439 Puts 210. Previous day's open int. Call 2,573 Puts 12,543.

### Spain

### INTERNATIONAL SPANISH BOND FUTURES (SEFF)

Open	Settle	Change	High	Low	Est. vol.	Open int.
Sep	86.02	+0.27	87.40	85.90	56,811	76,335
Dec	84.60	+0.55	85.90	84.55	15,418	51,495

### UK

### INTERNATIONAL UK GILT FUTURES (LFFE) £50,000 32nds of 100%

Open	Settle	Change	High	Low	Est. vol.	Open int.
Sep	99.30	+0.11	100.09	99.22	268	208,625
Dec	99.30	+0.11	100.09	99.22	268	208,625
Mar	99.30	+0.11	100.09	99.22	268	208,625

### LONG GILT FUTURES OPTIONS (LFFE) £50,000 64ths of 100%

ECU				
ECU BOND FUTURES (MATF)				



## COMPANY NEWS: UK

## Montgomery confirms joint venture for subscription cable channel

# Mirror Group restores dividend

By Raymond Snoddy

The Mirror Group announced yesterday that it was paying its first dividend since the days of the late Mr Robert Maxwell. Even though the payment is only 1p it was being seen as a significant development since the publisher of the Daily and Sunday Mirror was returning to normality and even respectability.

Pre-tax profits were £34.7m for the six months to July 3. The previous figure of £58.3m included an exceptional credit of £23.6m, mainly representing the release of pension fund provisions.

The modest increase in profits before exceptional items, against the background of a price war in the industry, was matched by underlying growth in earnings per share from 8.4p to 8.6p. Advertising revenue rose from £23.4m to £24m. Turnover fell from £237.2m

to £230.6m. However, operating costs were reduced by £2.8m to £178m and interest payable fell to £11.9m (£15.8m). The group said a £350m restructuring of debt had been arranged in principle on much improved terms.

Mr John Attwood, finance director, accepted that in any other industry the performance would be considered flat. But "in the context of the newspaper industry at the moment they [the results] are exceptionally strong."

Mr David Montgomery, chief executive of Mirror Group, said the company had been signed to form a joint venture with five of the largest cable and telephone companies in the world to provide a national subscription channel on cable.

The channel, to be called Live TV, will be distributed to more than 500,000 homes from the outset and will focus

mainly on live events. Heads of agreement have also been signed with Midland Independent Newspapers, publisher of the Birmingham Post and Evening Mail to develop Birmingham Live, a local version of Live TV.

Mr Montgomery said sales of the Mirror had remained about 2.5m a day, which with sales of the Daily Record took the total to 3.2m.

Mr Montgomery also warned that the reduction in the price of the independent, in response to cuts at The Times and the Daily Telegraph, would have a damaging effect on revenues and losses for the year.

Losses at Newspaper Publishing, publisher of The Independent, are likely to be larger than expected, although Mr Montgomery declined to say current what trading losses were.

The Mirror Group's 28 per cent stake in Newspaper Pub-

lishing, purchased in March, cost £1.4m over the four months since acquisition.

### COMMENT

The shareholders of Mirror Group are not exactly going to respond with three cheers to yesterday's results. But the modest restoration of dividends, reduced operating costs, the prospect of better margins on debt are all signs that the Mirror is becoming a normal company again. There are also welcome signs of future thinking through an investment in cable television and signs of some circulation growth, particularly on Sunday. Profit growth is likely to remain modest, with about £70m likely for the full year. Mr Derek Ter- rington at Kleinwort Benson is forecasting only £22m for next year - assuming the price war was contained - which would give a prospective p/e ratio of nine. The share price fell 4p to 181p.

## Liberty Mutual to invest in Lloyd's

By Richard Lapper

Liberty Mutual, a US insurance company, is to invest in Lloyd's of London, signalling continuing interest by corporate investors in the market.

The news coincided with the publication by Lloyd's of new rules which allow corporate members greater room for manoeuvre. The market, which won some £800m in corporate investment last year, is hoping to attract a further £125m to £250m in 1995.

Liberty, a Boston-based group, said its investment would allow Cater Allen Syndicate Management, an agency part of Cater Allen Holdings, to provide an extra £40m in capacity to Syndicate 190, increasing its potential premium income to more than £70m next year.

Management of the syndicate, will switch to a new agency next year, although this is dependent on the approval of the regulatory authorities at Lloyd's.

"These arrangements reflect both Lloyd's stated aims of broadening the market's capital base and the recent trend towards corporate capital at Lloyd's being provided on a dedicated basis to selected syndicates," said Mr Robin Gilkes, chairman of Cater Allen Syndicate Management.

Separately, Lloyd's announced that corporate syndicates - ones which contain members whose sole business is writing on that syndicate - will be permitted next year. So-called "parallel syndicates", which will underwrite business alongside existing syndicates, will also be permitted.

Other changes will allow corporate members to own up to 25 per cent of the agents which administer syndicates. New rules governing the conditions under which corporate member groups can acquire up to 100 per cent of managing agents will be published by the middle of next year.

Lloyd's also said that it would slow the planned introduction of "assignment", a principle allowing Names to trade or transfer their participation on syndicates. The only form of assignment likely to be introduced in 1995 will be for Names re-arranging their affairs through Maps, a kind of Lloyd's unit trust, or a new kind of limited liability corporate vehicle, which is under consideration at the market.

Existing rules, which limit corporate member groups to 50 per cent of a single syndicate's capacity, and any one corporate member to no more than 25 per cent, will be waived "only if managing agents demonstrate that individual members' pre-emption and other rights have not been ignored".

Earnings per share increased 15 per cent to 14.24p (12.33p), while the dividend is raised from an adjusted 2.56p to 3p. Turnover improved 13 per cent to £28.63m (£25.3m).

Mr Prosser said current trading was also encouraging and he was "reasonably optimistic" about prospects for the full year.

The Birmingham-based company is involved in selling financial services, predominantly small unsecured loans, to a customer base of 120,000, serviced largely by an army of door-to-door part-time sales staff. It is also involved in selling insurance and merchandise.

Earnings per share were 0.81p (0.69p). No interim dividend is proposed but Mr Richard Hayes, chief executive, indicated the intention to recommend an increased final dividend for 1994.

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## Bond and equity losses leave Legal & Gen lower

By Alison Smith

An investment loss of £58m from the bond and equity markets left pre-tax profits at Legal & General Group, the life and general insurer, lower at £58m for the first half of 1994, compared with £75m.

However, if L&G had adopted the same accounting method for such gains and losses used by Prudential Corporation, it would have shown an increase to £114.5m (£74.7m). The interim dividend rose by 6.3 per cent to 6.59p (6.5p).

Pre-tax profit in its core UK life and pensions business rose slightly to £63m (£59.7m), but this was primarily related to business already in force, where profits increased by £5.4m, rather than to new business acquired.

Pre-tax profit from overseas life and pensions business totalled £15m (£13.4m).

Mr David Prosser, chief executive, said he saw little prospect of short-term improvement in the testing conditions of the UK market, and predicted increased competition and narrower margins next year from the new regime requiring insurers to volunteer more information about products and charges to customers.

L&G has already cut the number of its sales agents, who are self-employed and paid by commission, from 2,200 at the start of the year to about 1,800 now. It expects this to fall to about 1,000 by the end of next year.

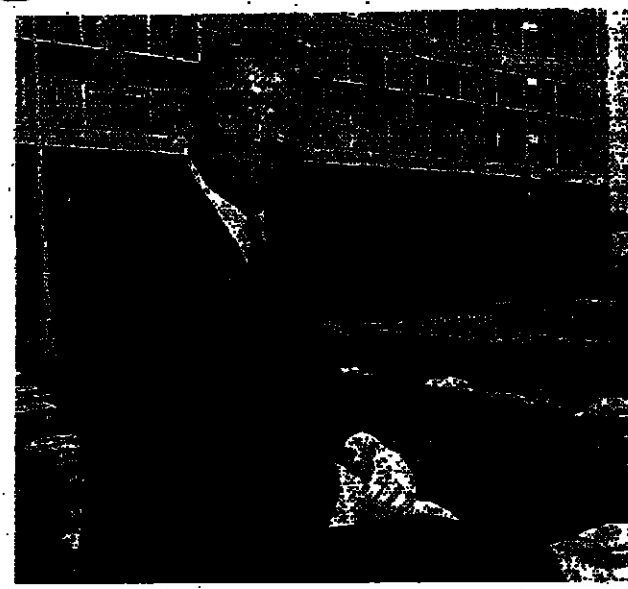
At the same time, it plans to expand its 100-strong employed and salaried sales force to about 300, and strengthen its ability to sell through independent financial advisers.

Mr Prosser said L&G could halve the number of its self-employed sales force and that this might reduce the amount of new business by only 15 per cent. He insisted, however, that there was still a role for commission-based advice.

While forecasting some rationalisation within the sector, he said that L&G's size and range of distribution methods left it well-placed for the future, including opportunities to absorb smaller companies.

The UK general insurance business saw a turnaround from an underwriting loss of £17.7m to a profit of £23m. Mr Prosser said the business had benefited from the decision to focus on personal lines as a key area.

He added, however, that there was some anecdotal evidence of price-cutting in premium rates, and emphasised the need to ensure that policies were priced to reflect exposure to risk.



David Prosser: sees little prospect of short term improvement

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## Hazlewood Foods chooses chief executive

Hazlewood Foods, which in June reported severe problems with four of its plants, has promoted Mr John Simons, its finance director, to UK chief executive, writes Roderick Oram.

He replaces Mr Chris Ball who resigned when the company revealed that the four acquired, newly built or reorganised plants were running up losses. Mr Simons succeeded as finance director by Mr Kevin Higginson, the financial controller.

Progress had been made with the plants during the summer, Mr Peter Barr, chairman, told the annual meeting yesterday. Two should become profitable next month, a third during the second half and the fourth was sold last month.

Hazlewood would continue to dispose of non-core businesses, he added. As a result of the problems flagged in June, profits for the first half to September 30 would show "a very significant shortfall" from a year earlier, he said.

The shares rose 9p to 138p.

## Improved cash flow lets Booker edge to £30.5m

By Roderick Oram, Consumer Industries Editor

Improved cash generation allowed Booker, the food group, to lift its interim pre-tax profits and dividend yesterday despite difficult trading conditions in the UK and US.

Pre-tax profits edged ahead from £28.5m to £30.5m, thanks to interest costs falling from £8.4m to £5.3m.

Net debt was cut to £149.1m (£202.4m) by proceeds from disposals and tighter control of working capital. Gearing fell to 79 per cent (128 per cent).

Against City expectations, the interim payout was raised to 7.7p from 7.5p. "We aim to increase the dividend at least in line with inflation," said Mr Charles Bowen, who joined the group as chief executive 15 months ago.

Mr Bowen said this year should see the sale of the last few small businesses earmarked for disposal and an improved performance from the recently reorganised food service division.

Distribution margins remained under severe pressure and products such as cigarettes could be adversely affected by the November Budget.

The group's operating profits fell to £38.8m (£38.3m) in the 24 weeks to June 18. The biggest problem was Booker's US agribusiness, where profits dropped 80 per cent to £1.1m. Arbor Acres, a chicken breeder, suffered a fall in market share and higher research and development expenses. No pick-up is expected before 1996, Mr Bowen said. The UK agribusiness was ahead by £0.6m at £4.7m.

Fish processing profits fell to £3.4m (£3.9m), mainly reflecting a lower fish catch and thus higher prices which the company was unable to pass on.

Booker's biggest business, food wholesaling, pushed up sales by 9.5 per cent to £1.04m but profits were flat at £13.7m. This was because of the change in Budget date from April to November, the com-

pany said. Earnings per share were 9.8p (10.25p) including a 0.04p exceptional gain against a 0.26p exceptional loss.

Mr Bowen has delivered the first part of what he promised when he joined Booker: better management and cashflow and a tighter focus on its businesses. In some ways, part two is harder. He wants to build and buy businesses in notoriously difficult sectors. Cash and carry will always bear the brunt of retail price wars as independent grocers struggle to compete. Booker would like to land another big fish operation but there are good economic reasons why targets might come up for sale. Given difficult trading conditions and the long horizon for phase two, Booker will be lucky this year to better the £38.7m pre-tax before exceptional items of last year. On a prospective p/e of 16, the shares are carrying an over-optimistic view of earnings growth.

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## S&U up 15% to £2.6m

By Christopher Price

S&U, the consumer credit group, reported interim pre-tax profits up 15 per cent at £2.6m for the half year to July 31, against £2.27m last time.

Mr Derek Prosser, chairman, said the general optimism in the financial services industry together with its own organic expansion, had been behind the rise. "We have seen a strong rise in demand from consumers which we have been able to respond to," he said.

Earnings per share increased 15 per cent to 14.24p (12.33p),

while the dividend is raised from an adjusted 2.56p to 3p. Turnover improved 13 per cent to £28.63m (£25.3m).

Mr Prosser said current trading was also encouraging and he was "reasonably optimistic" about prospects for the full year.

The Birmingham-based company is involved in selling financial services, predominantly small unsecured loans, to a customer base of 120,000, serviced largely by an army of door-to-door part-time sales staff. It is also involved in selling insurance and merchandise.

Earnings per share were 0.81p (0.69p). No interim dividend is proposed but Mr Richard Hayes, chief executive, indicated the intention to recommend an increased final dividend for 1994.

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## German stake to cost T&N £118m

By Kevin Done, Motor Industry Correspondent

T&N, the UK automotive components group, said yesterday that it would pay up to DM282.8m (£117.7m) to acquire a 32.5 per cent stake in Kolbenschmidt, a leading German motor components producer.

The deal must be approved by the competition authorities in the US, Germany, France and the UK. If it goes ahead, it will make T&N one of the world's leading producers of engine pistons, vying for the number one position with Mahle of Germany.

In bearings it will rival Federal Mogul of the US for world leadership. According to the terms of the deal disclosed yesterday the UK group has acquired options to purchase up to 1.418m shares in Kolbenschmidt representing 52.5 per cent of the equity.

T&N said that a 24.9 per cent stake in Kolbenschmidt had been acquired by Commerzbank on its behalf for DM124.8m.

This stake will be held by the German bank at T&N's risk with the UK group taking any loss or gain, if the holding has to be sold in the event of the deal not going ahead.

Metallgesellschaft, the troubled German metals, mining and engineering group, is selling its 47 per cent holding in Kolbenschmidt, while Magna International, the Canadian automotive components group, is reducing its stake from 12.5 to 2.5 per cent.

German institutional investors will take over 32 per cent of the Kolbenschmidt shares, with T&N holding options on the majority of this stake representing 25 per cent of the Kolbenschmidt equity. It addition it has an option to take over Magna's remaining 2.5 per cent.

Mr Colin Hope, T&N chairman and chief executive, said the acquisition of a major-

## IFG advances to £403,000 at six months

By Kevin Done, Motor Industry Correspondent

IFG Group, the Dublin-based financial services company, reported a 24 per cent increase in pre-tax profits for the six months to June 30, from £234,000 to £403,000 (£394,575). Turnover rose 18 per cent from £24.75m to £29.6m.

Earnings per share were 0.81p (0.69p). No interim dividend is proposed but Mr Richard Hayes, chief executive, indicated the intention to recommend an increased final dividend for 1994.

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**US \$400,000 INTEREST RATE**

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from 16th September 1994, to 16th March 1995, the Notes will bear a Rate of Interest of 9.3864 per cent per annum.

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**ABSTRACT OF CALL FOR BIDS NOTICE NO. 1**

The Consorzio IIRICAV UNO, with headquarters in Rome, Via Togliatti, 17-00155 ROMA, Tel. +39 6 231971, Fax +39 6 2308316, announces for and on behalf of the consortium member and assignee ICLA Costruzioni Generali S.p.A. and in accordance with Directive 93/38/EEC of 14/06/93, the summary of the procedure for the assignment of the civil works for the railway and relative secondary works between the kilometre stations 121+632 and 128+524, consisting of the movement of materials, structures (railroad bridges, walls, drains etc.) interferences, roadworks and hydraulic installations. The works will be carried out in the province of Frosinone.

Method of adjudication: offer of unitary prices according to Art. 5 of Italian law 1473. Prevailing category A.N.C. (National Register of Constructors) & the offer should not exceed Lit. 32,090,000,000 (thirty two billion ninety million) excluding VAT.

The interested companies should send their offers of participation to arrive by 6pm on 18th October 1994, according to the regulations of the Complete Call for Bids Notice which was sent to the Publications Office of the European Community on 7th September 1994 and to the official journal (Gazzetta Ufficiale) of the Republic of Italy on 9th September 1994.

**CONSORZIO IIRICAV UNO**  
THE CHAIRMAN  
Dott. Ing. Angelo FLO



## French purchase cuts Courtaulds Textiles

By Peggy Hollinger

Entering the competitive French hosiery market has cost Courtaulds Textiles, the clothing and fabrics group, £7.4m in the half year to June 30 and helped to depress pre-tax profits by 26 per cent from £13.7m to £10.1m.

Mr Noel Jervis, chief executive, said that in spite of the losses incurred by businesses acquired from Hartstone in March, including Cogetex of France, he was pleased with their progress.

"They have performed in line with our expectations," he said. "The recent hosiery acquisition is highly seasonal and the loss incurred was as anticipated."

The months consolidated by Courtaulds were the French businesses' worst trading period, he said. From March to June, they achieved on average just 12 per cent of annual sales, whereas the bulk arose in the autumn and winter months.

"It's a bit like selling fireworks and Christmas cards," he said. The heavy second half bias meant that predicting the outcome for the year at this stage

was difficult, although the businesses were expected to contribute a profit. Courtaulds said it would update shareholders in December when trading patterns would be clearer.

Excluding the effects of acquisitions, disposals and other one-off charges, profits on a like-for-like basis rose by 22 per cent to £14.5m. The profit improvement was largely due to lower interest costs relating to the underlying businesses, and reduced reorganisation charges.

Like-for-like operating profits before reorganisation costs were 1 per cent down at £16.9m.

Sales rose 10 per cent at £663m, including £15.3m from acquisitions, against £622.5m, including £30.0m from discontinued activities.

All divisions returned improved profits before interest charges, with the exception of branded clothing which fell into loss. This included the Hartstone businesses as well as Aristoc, which was affected by problems at a factory and Georges Rech, which suffered from difficult trading.

Mr Jervis said the problems

with Aristoc were now "well over" and it was expected to make a "respectable profit in the second half. Georges Rech had been restructured, but trading continued difficult.

The dividend was increased by 4.25 per cent to 4.9p (4.7p) although earnings fell by 33 per cent to 7p (10.4p).

### COMMENT

Courtaulds may be optimistic about its future in Europe but the market is not going to take any chances until that December trading statement. While encouraged by noises that Sara Lee may be retreating on its aggressive price cutting campaign, there are a few too many burnt fingers out there after last year's profits warning. The biggest factor in Courtaulds' favour, for the short-term, anyway, is its management. They have done well in recession and the Hartstone purchase does have considerable recovery potential. Forecasts this year are for about £45m, putting the shares on a prospective p/e of about 17. This premium appears justified given the opportunities for recovery in Europe.

## Andrews Sykes splits advice

By Richard Wolff

Independent directors of Andrews Sykes, the specialist industrial services group, yesterday issued split advice to shareholders over a buy-out bid from Mr Jacques Murray, the chairman.

The two non-executive directors, Mr Michael Geller and Mr Michael Helms, advised shareholders to reject the bid of 50p per ordinary share if they have confidence in the group's potential.

However, they added that risk-averse shareholders should consider selling in the market.

Holders of preference shares are recommended to reject outright a bid of 12p per share in the formal offer document which was posted yesterday.

Ordinary shares closed down 2p at 74p yesterday, while preference shares remained unchanged at 43p.

The offer, which values the company at £8.24m, was triggered under the City takeover code in mid-August when European Fire Protection Holdings' stake in the group passed the 29.9 per cent threshold.

Since then European Fire, a private Netherlands-based company owned by Mr Murray, has increased its holding to 42.1 per cent of the ordinary shares and 8.3 per cent of preference shares.

Andrews Sykes is in the midst of a reorganisation to refocus on its core activities of pumping, heating, air conditioning and its UK-based hire business.

The company's UK bankers have demanded that the group, whose gearing stood at 256 per cent on March 31, reduces borrowings from about £18m to £9.9m by January 31, 1995.

The company has not yet paid the dividend on preference shares due on June 1. Distributable reserves stood at just £11,000 on March 31.

The group holds its annual meeting today.

## Output predicted to show steady increase into the next century BP emerges from retrenchment era

By Robert Corzine

British Petroleum yesterday disclosed details of its future exploration and production strategy, in a move which reinforced its recent message that it has now emerged from a protracted period of retrenchment.

In an upbeat and wide-ranging briefing to industry analysts in London, Mr John Browne, managing director of BP Exploration, said the company was set to expand annual oil and gas production by two and six per cent respectively into the next century.

The steady rise in output would result from improved recovery rates from fields in Alaska and the North Sea - the current focus of BP operations - and the development of new projects, many of them in the developing world.

Mr Browne used the occasion to announce the discovery of two big natural gas fields off

south Vietnam, the latest in a series of gas finds which will reduce the company's dependence on oil.

Recoverable gas reserves from the offshore Nam Con Son basin were 2 trn cubic feet. That is large enough for the discovery to "play a key role in supplying Vietnam's emerging gas market," said Mr Browne.

Mr Browne said gas would form a growing part of BP's business. In addition to Vietnam, it has recently found a large gas field in Colombia, where demand has been rising by 10 per cent a year.

The company is also negotiating with Sonatrach, the Algerian state energy company, on a project to develop a gas field which would be linked by pipeline to southern Europe.

BP also had "significant" undeveloped gas reserves in Papua New Guinea which might justify a costly liquefied natural gas project.

Mr Browne said BP would have to develop local or regional gas markets to exploit its growing gas reserves. That would require it to enter new businesses, such as power generation. But Mr Browne said it would only do so with experienced partners.

The projected growth in oil production was likely to be accompanied by further cuts in costs. Over the past five years finding costs have fallen from about \$5 a barrel to \$2, and development costs from \$10 a barrel to between \$4 and \$5.

Mr Browne expressed satisfaction with the portfolio of assets and potential projects outlined yesterday, and said it was the culmination of five years of effort.

Since 1989 annual exploration budgets have fallen by a third to \$800m. But spending has been focused on new areas, which could account for 300,000-400,000 barrels a day of

new production within five years.

Although many of the new areas are in countries with higher political risk profiles, Mr Browne said developed OECD countries would still account for 75 per cent of the company's output in 2004.

He stressed that BP, which was forced into retrenchment two years ago because of an over-ambitious expansion and investment programme, had adopted a new strategy to avoid making similar mistakes in future.

It will now split upstream development projects into phases to reduce risk and to avoid the bunching of large-scale capital commitments.

"Not all these projects will work out," he said. "And we won't make choices until we have to, when we will take into account a number of factors, including the economics of the time and moves by the competition."

## Defence uncertainties catch up with Meggitt

By Caroline Southey

A slowdown in defence and aerospace-related businesses were behind a drop in interim pre-tax profits and sales at Meggitt, the Dorset-based engineering company.

Pre-tax profits in the half-year to June 30 fell from £10.77m to £8.58m while turnover dropped 10 per cent from £179.3m to £161.7m.

The aerospace division saw a drop in sales from £64.9m to £50m and controls from £61.1m to £50.3m. Only electronics increased, from £30.8m to £31.6m.

The sales decline was due to "continuing slowing of orders for the defence and aerospace-related businesses and fewer major contract completions", Mr Ken Coates, executive chairman, said.

The aerospace division continued to suffer because of fundamental changes in the defence sector and a highly competitive commercial market.

But he predicted a return to

growth in 1995 provided that trading conditions continued to improve. Orders for the first half of 1994 were up 15 per cent on the second half of last year, and the Asia Pacific market saw a 60 per cent rise in overall sales from £10.5m to £16m.

Mr Coates said he expected growth in the next year to be driven by the electronics division, with the component companies showing the most notable improvement.

The rationalisation programme continued with a further 3 per cent reduction in numbers employed to just under 6,000 and the amalgamation of five small businesses with larger ones.

A disposal programme would realise cash in excess of £20m. Gearing had been reduced from 31 per cent to 29 per cent.

Earnings per share fell from 3.3p to 2.5p and an interim dividend of 1.3p is maintained.

### COMMENT

There had to come a point when problems in the aerospace industry finally caught

up with Meggitt. The moment has arrived, although the severity of the impact has not been anticipated. The company will be able to achieve some earnings progress through the energy and electronics divisions, but they are small and it is unlikely to be enough to excite investors. Even a well-intentioned restructuring programme will be unable to overcome the problems of a declining military aerospace sector and a civilian sector unlikely to pick up before the end of 1996. The market could take some convincing with a forecast of £18m for 1994 and a prospective p/e of 14.7.

## Beauford back in black

An improving order intake helped Beauford return to profit in the six months to June 30.

On sales of £15.7m (£13.4m) from continuing operations, the engineering and ceramics group achieved pre-tax profits

of £851,000 (£3.06m loss) including an exceptional credit from the sale of the Clayton stake of £362,000. But interest took £313,000 (£503,000).

Earnings per share came through at 3.9p (38.27p loss).

## Danisco A/S

Langebrogade 1, PO Box 17,  
1001 Copenhagen K, Denmark



DKK 1,150,000,000 5 per cent Convertible Bonds 2004  
(the "Bonds")

### ADJUSTMENT TO CONVERSION PRICE

NOTICE IS HEREBY GIVEN to holders of the Bonds that the price at which the Bonds are convertible into shares in Danisco A/S (the "Conversion Price") has been adjusted on and with effect from 15th September 1994 in accordance with the Trust Deed dated 21st February 1994 from DKK 1,280 to DKK 252 per share. This adjustment has been made following the alteration to the nominal value of the shares from DKK 100 per share to DKK 20 per share which took place on 18th September 1994.

At any general meeting of Danisco A/S, each share of nominal value DKK 20 shall, on a poll, entitle the holder thereof, whether present in person, by representative or by proxy, to one vote.

Conversion rights exercised by delivery of Bonds on or after 15th September 1994 will take effect at the adjusted Conversion Price.

Issued by Danisco A/S 16 September 1994

Fiduciary issue by Kredietbank S.A. Luxembourg to fund a loan to be made by it to

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Floating Rate Notes due 1997

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the interest period from September 16, 1994 to December 16, 1994 the Notes will carry an interest rate of 8.3125% per annum.

The interest amount payable on the relevant interest payment dates, December 16, 1994 will be ITL 117,700 per ITL 5,000,000 principal amount of Note and ITL 2,353,950 per ITL 100,000,000 principal amount of Note.

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### CONTRACTS & TENDERS

#### CALL FOR TENDERS

pursuant to the assignment of the

**Construction and Accommodation Directorate  
of the Hungarian Armed Forces,**

the Law firm of Seward & Kissel  
hereby announces a

#### PUBLIC INTERNATIONAL TENDER

the subject of which is:

**THE PREPARATION AND SUBMISSION OF A FEASIBILITY STUDY  
AND A BUSINESS PLAN RELATING TO THE RECONSTRUCTION OF THE  
CENTRAL MILITARY HOSPITAL OF THE HUNGARIAN ARMED FORCES**

The Tender Documentation can be purchased in the Budapest Representative Office of the Law Firm of Seward & Kissel (1051 Budapest, Nador u. 11., Hungary) from September 16, 1994 through October 30, 1994 on weekdays from 9:00 AM to 4:00 PM. The price — to be paid at the time of purchase — is 2,000 USD for foreigners or the equivalent in Hungarian Forints for Hungarian tenderers.

The deadline for the submission of tenders is: 10:00AM on November 18, 1994 at the above address complying with the specifications and in the manner described in the Tender Documentation. The opening of the tenders will take place immediately after the deadline for the submission.

After the evaluation of the tenders, Caller will publish the results on December 19, 1994 and conclude a contract with the winner(s) for the preparation of the Study. This must be submitted prior to April 3, 1995. The Study must contain a concrete plan supported by adequate assurances relating to the capability of the Tenderer to provide or arrange the necessary financing for the completion of the reconstruction project already in process.

Using the Study, a proposal will be prepared prior to June 30, 1995 to help formulate an administrative decision relating to the reconstruction project.

Budapest, September 16, 1994

Construction and  
Accommodation Directorate of  
the Hungarian Armed Forces

The Law Firm of  
Seward & Kissel

## INDEPENDENT INSURANCE GROUP PLC

### 1994 UNAUDITED INTERIM RESULTS

Gross written premium up 24% to £131.3 million.

Pre-tax profit more than doubled to £10.1 million.

Interim dividend increased by 14%.

#### RESULTS IN BRIEF

	Jan-June 1994 £000's	Jan-June 1993 £000's
Gross Written Premium	131,299	106,169
Underwriting Result	6,403	(2,234)
Profit before Tax	10,132	4,292
Earnings per Share	15.4p	8.7p
Dividend per ordinary Share	4.0p	3.5p
Net assets per ordinary Share	183.0p	158.0p

Michael Bright, Chief Executive, commenting on the results said:

"Following an excellent result in 1993 our progress continues with the half year pre-tax profit more than doubling to £10.1m (1993: £4.3m). We are continuing to reap the benefits of our highly disciplined approach to underwriting and our carefully selected broker panel.

Market conditions continue to offer opportunities for profitable development of Commercial business in our target areas. In the Personal Lines market we are focusing on niche development where we are able to use our underwriting skills and avoid the more intense competition that is emerging in some areas.

The signs for the remainder of 1994 are encouraging with the first half trends continuing in all our main areas of operation."



## Increased market share helps Kwik-Fit to £15m

By David Blackwell

A gain from property sales, coupled with a sharply lower interest charge and higher volume, helped Kwik-Fit Holdings, the tyre, exhaust and brakes fitter, to increase pre-tax profits by 33 per cent in the half year to end-August.

On sales ahead 14 per cent at £150.4m (£132.1m) the pre-tax result was £15.2m (£11.5m) including £781,000 (£207,000) from property disposals.

Net interest payable fell from £1.06m to £307,000, and borrowings from £17m to £5.6m.

Mr Tom Farmer, chairman, said that marketing initiatives introduced last year had brought in more customers, leading to further increases in market share. The board was "more than satisfied - in fact we are delighted."

Extra volume fed through to a 20 per cent rise in operating profits from £12.3m to £14.8m. Operating margins rose from 9.3 to 9.8 per cent.

The UK contributed £11m (£9.5m) of operating profits on £117.4m (£104.1m) of turnover. More than half the sales were accounted for by tyres, where the group lifted its market share from 14 to 18 per cent.

Sales of exhausts in the UK were 4 per cent higher at £36.8m, while sales in the new brakes sector almost doubled to £2m following a national launch last November. The group is aiming for 10 per cent of the UK brakes market in the next couple of years.

Sales overseas - in the Netherlands and Belgium -



Tom Farmer: marketing initiatives brought in more customers

rose by 18 per cent to £33m (£28m), yielding operating profits of £3.8m (£2.8m).

Capital expenditure increased from £3.8m to £9m, reflecting the acquisition and development of new properties. Mr John Houston, finance director, said spending last year had been restrained - "but now we have more confidence in the potential of our business."

At August 31 the group was operating a total of 651 (632) centres. A further 27 were being developed. Mr Farmer said he believed there was room for a further 200 outlets in the UK, which has 494 centres.

Earnings per share increased from 4.7p to 6.2p, and the interim dividend is 1.7p (1.5p).

### COMMENT

Tyres and exhausts might seem unexciting markets, but Kwik-Fit has found the right formula to make them pay.

Its share of both sectors is rising, adding to its buying power, while there is everything to play for in the new brakes market. The strong brand name and narrow focus has helped it to survive a period of intense competition, and it now feels confident enough to speed up expansion. While plenty of competition remains, it is fragmented. Earnings are expected to be 11p for the full year and 13p in 1995-96, which puts the stock at a 10 per cent discount to the market. This looks grudging for a company behind such a successful retail concept.

## Rutland at £4.5m and plans expansion

By David Blackwell

Rutland Trust, the financial and business services group, boosted pre-tax profits by 23 per cent for the six months to June 30.

They rose from £3.64m to £4.45m on turnover of £56m (£50.5m).

Mr Michael Langdon, chief executive, said the results were on target.

The group has more than £15m in cash in addition to its 42 per cent stake in Capital Industries, the laminated paper maker. This is on the books at £7.5m, but has a market value of £22m.

"We have significant financial flexibility with which to take the business forward," said Mr Langdon yesterday. The group was actively looking for acquisitions.

Operating profits from the corporate finance and investment division rose from £704,000 to £1.36m, mainly representing the contribution from Capital Industries.

The contribution from Ben Shaw's, the Huddersfield soft drinks and water business, was marginal, but is expected to be better in the second half following the hot summer.

Earlier this year Rutland sold part of Ben Shaw's Pontefract canning line to Cott Corporation, a Canadian group which provides own-label cans for supermarkets. A further exceptional gain of about £2.7m is expected in the second half from the sale.

The asset financing division, which is involved in vehicle contract hire, almost quadrupled profits to £2.04m (£536,000) on the back of new business won and an increase in the value of second-hand cars.

Profits from professional services retreated from £2.4m to £1.06m, reflecting a cyclical setback at Ellis & Buckle, the chartered loss adjuster. However, the group believes Ellis will emerge from the downturn "as one of the pre-eminent loss adjusters."

Earnings per share rose from 0.93p to 1.06p. The interim dividend is 0.30p (0.27p).

## Nat Express in black with £0.5m.

By Peggy Hollinger

The long decline in the number of coach travellers has finally been reversed, according to National Express. The transport group yesterday announced a return to the black with interim pre-tax profits of £552,000.

The return, struck on sales up 31 per cent at £69.6m (£53.1m), compared with losses last year of £407,000.

Mr Adam Mills, deputy chief executive, said passenger numbers had increased by about 3 per cent throughout the year.

The benefit was being felt from people switching to coach services during the British rail strike, but the underlying trend was still an improved

one, Mr Mills said.

However, the need to discount fares to meet competition from other coach operators and rail services meant that increased volumes had little effect on interim profits. On average, National Express cut fares by about 3 per cent, mostly in England.

The largest contribution to profits came from the group's newest business - East Midlands airport.

Purchased for £27m in August last year, it contributed £1.5m in operating profits. There were no comparative figures, although Mr Mills said much of the savings effected by National Express were being passed on to the airlines in an attempt to increase the volume of traffic through the airport. Passenger numbers

rose 18 per cent.

The main UK coach business, known as National Express, reduced losses in the six months to June 30 from £1.5m to £989,000. The British Rail strike had little impact on first-half results, but was expected to benefit the latter part of the year.

The European coach operation benefited from the acquisition of a Dutch business. Operating profits rose by 16 per cent to £460,000.

The contribution from airport coach services almost halved from £138,000 to £68,000.

The dividend was increased by 8 per cent to 2.7p. Earnings per share of 1p compared with a loss of 0.5p last time.

### COMMENT

The rise in coach passengers

might take some pressure off National Express, but not much. This is not a spectacular growth market, and price increases are difficult, if not well-nigh impossible. So the move into airports looks better all the time. Yet the company has found it much more difficult than it thought to follow its East Midlands success. Local authorities, which own many of the desirable airports, have been alerted to the potential value and prices are not cheap. Still, the benefits of East Midlands have not yet been fully realised and an acquisition is almost certain at some stage. Forecasts are for about £11.7m in profits this year, which leaves the shares trading on a prospective p/e of about 17 times. The premium rating is well-deserved.

## Whatman hampered by Cyclopore

By Simon Davies

Whatman, the manufacturer of filtration and purification products, reported a drop in profits for the first six months of 1994, primarily attributable to losses from its recent acquisition, Cyclopore.

However, the company expressed its confidence in future profits growth by raising the interim dividend by 9 per cent to 3.6p (3.3p).

Pre-tax profits fell from £4.56m to £4.41m, in spite of an 8 per cent increase in turnover

to £36.5m (£33.7m), but this was largely due to the impact of acquisitions.

Cyclopore, a Belgian membrane manufacturer acquired in November, lost £200,000, while German molecular biology company Biomatra, acquired for £3.5m last year, achieved only break-even.

The company expected Biomatra to produce "good profits in the second half", as it has a seasonal business pattern. Cyclopore is not expected to make a positive contribution until 1996.

Revenues, excluding acquisitions, increased by 4 per cent at constant exchange rates, with increases coming mainly from North America, where operating profit rose from £2.05m to £2.65m.

The UK international region, mainly continental Europe, suffered from production problems, which have now been overcome, but this resulted in a reduction in operating profit to £2.1m (£2.66m).

The company is currently working on a rationalisation of its North American business in

order to reduce its cost base, and this will impact on second half revenues. However, Mr Andrew Smithers, chairman, said: "We anticipate that improved second-half trading in both North America and the UK international region will allow us to absorb the cost of this reorganisation."

At the half year stage, the company had net borrowings of £3m, representing gearing of only 6 per cent. It intends to make further acquisitions.

Earnings per share fell from 12.91p to 12.36p.

## Bentalls cuts losses and expects fall in borrowings

By Richard Wolfe

Bentalls, the department store operator, reduced pre-tax losses from £419,000 to £243,000 after a seven per cent rise in turnover from £33.8m to £36.2m in the six months to July 30.

The group, which operates seven department stores in the south-east of England, reported an operating profit down from £490,000 to £365,000, because of a rebate on uniform business rates last year.

Bentalls expects that further successful appeals against uniform business rates will result

in a credit of £1.15m in the second-half results.

The company anticipates a material reduction in net borrowings after a £4m refund of corporation tax and accrued interest from a capital allowance claim for the flagship store in Kingston upon Thames in Surrey.

Net interest payable was £708,000 (£898,000).

The group plans to spend £3m over the next 18 months refurbishing its branch stores to the standard of the Kingston store in the Bentall Centre development, which opened in

November 1992.

The centre's retail space is 87 per cent let, but the company receives a minimum rental income of £1.65m a year under an agreement with its co-developer, Mr John Ryan, finance and property director, said

increased lettings in the Bentall Centre were now attracting customers away from other shopping centres in the region.

Despite posting losses per share of 0.56p (0.67p), the group maintained an interim dividend of 0.6p per share.

## British Mohair rises by 51% to £1.4m

Textiles group British Mohair Holdings increased pre-tax profits by 51 per cent from £907,000 to £1,371m in the half year to June 30.

Turnover rose 14 per cent to £32.6m (£19.8m) including a UK contribution of £17.2m (£14.9m).

Mr Charles Fenton, chairman, forecast a similar performance in the second half as "interest in mohair as a unique fashion fibre" continued to increase.

Earnings per share increased to 6.81p (4.48p) while the interim dividend remained at 1.4p.

## The Royal Bank of Scotland Group plc

### US \$400,000,000 UNRAIDED FLOATING RATE PRIMARY CAPITAL NOTES

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the Interest Period from 16th September 1994, to 16th March 1995, the Notes will bear a Rate of Interest of 9.3364 per cent per annum.

AGENT BANK: CHARTERHOUSE BANK LIMITED

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CHARTERHOUSE

## CONSORZIO IIRICAV UNO

(General contractor for T.A.V. Trento Alta Velocita S.p.A.)

### ABSTRACT OF CALL FOR BIDS NOTICE NO. 1

The Consorzio IIRICAV UNO, with headquarters in Rome, Via Togliatti, 17-00155 ROME, Tel. +39 6 231971, Fax +39 6 2308316, announces for and on behalf of the consortium member and assignor ICLA Costruzioni Generali S.p.A. and in accordance with Directive 93/38/EEC of 14/06/93, the summary of the procedure for the assignment of the civil works for the railway and relative secondary works between the kilometre sections 121+452 and 128+524, consisting of the movement of materials, structures (railroad bridges, walls, drains etc.) interferences, roadworks and hydraulic installations. The works will be carried out in the province of Frosinone.

Method of adjudication: offer of unitary prices according to Art. 5 of Italian law 1473. Prevailing category A.N.C. (National Register of Constructors) 6; the offers should not exceed Lit. 32,090,000,000 (thirty two billion nine hundred million) excluding VAT.

The interested companies should send their offers of participation to arrive by 09.00 on 18th October 1994, according to the regulations of the Complete Call for Bids Notice which was sent to the Publications Office of the European Community on 7th September 1994 and to the official journal (Gazzetta Ufficiale) of the Republic of Italy on 9th September 1994.

CONSORZIO IIRICAV UNO  
THE CHAIRMAN  
Dott. Ing. Angelo FLORES

### Notice of Interest Amount

## EMBRATEL EMPRESA BRASILEIRA DE TELECOMUNICACOES S.A. Floating Rate Notes

NOTICE IS HEREBY GIVEN that the LIBOR RATE for the INTEREST PERIOD beginning September 15, 1994 and ending on March 15, 1995 has been fixed at 5.4375%. The INTEREST AMOUNT totalling \$307,283.88 payable on the SEMI-ANNUAL DATE falling on March 15, 1995 is comprised of the following amounts:

Series	Interest Amount	Series	Interest Amount
A	\$107,737.99	D	\$40,401.75
B	\$78,712.75	E	\$40,401.75
C	\$53,868.99	F	\$16,160.75

September 16, 1994

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The FT Guide for the Serious Investor is published with the Financial Times on Saturday, September 17.

It will look at the many ways the seriously rich increase their wealth by examining the kinds of investments they prefer and who advises them.

It will also provide insights into individual success stories as well as the opportunities for investment in art, furniture and even wine.

All this invaluable advice (and more) is an absolute pre-requisite for anybody with personal capital to invest.

So, if you're serious about investment, make sure you get a copy.

**Weekend FT.**



## Significant turnaround in North America behind 50% improvement Logica advances to £13.5m

By Alan Cane

Profits before tax at Logica, the computing services company, rose 50 per cent in the year to June 30, after a significant turnaround in North America, which saw the US operation in profit for the first time since 1989.

The result was ahead of market expectations and the shares rose 14p to 318p.

Mr Martin Read, chief executive, said the improvement was a result of rationalisation and restructuring, coupled with a powerful focus on key markets implemented by a new and effective management team.

Pre-tax profits came in at £13.5m (£8m). In the UK, where Logica makes about half its sales, profits rose only marginally to £3.6m (£3.2m). The US, however, turned a £2.6m loss last time into a £300,000 profit.

In continental Europe, profits rose 38 per cent to £3.6m on strong underlying growth, but the company has still to improve its performance in the Asia Pacific region where a £300,000 loss was repeated.

Revenues grew five per cent to £228.5m (£217.4m). Earnings per share rose 61 per cent to 14p. A final dividend of 3.6p is



Martin Read: still dissatisfied with 5.9% gross margin

recommended making a total of 5p - a 25 per cent rise.

Interest income halved to £495,000 (£942,000), a result of lower interest rates and a decline in average cash balances, which fell to £15.3m after a number of acquisitions. The tax rate, however, improved as overseas subsidiaries moved into profit, eliminating unrelieved tax losses.

Operating profits rose 61 per

cent to £13m (£8m), but Mr Read said he was still dissatisfied with the 5.9 per cent gross margin. He believes it possible to improve margins to 10 per cent and above.

In the second half of last year, UK margins rose from 7.4 per cent to 9.5 per cent, as restructuring and tighter operational control had their effect. Logica is a broadly-based computing services group with

its main activities in the finance, government, energy and telecommunications sectors.

### COMMENT

Martin Read has reasons to feel pleased, but not complacent, about his first 18 months at Logica. He has kept his promises, delivering improved growth and profitability in a steady, unexciting way. His no-nonsense approach has proved effective in a company hitherto better known for champagne than tough management. Poorly performing Italian and German operations have been closed and the black hole of North America stopped at last. The company culture is changing. Mr Read believes he is half to two thirds of the way through the transformation. The company has won some significant orders, notably a key RAF logistics project and the order book is healthy. Nevertheless, the market remains fragile. Pre-tax profits of £18m or 18.6p of earnings are expected next year giving a prospective p/e of about 17. Good value, therefore, with an excellent 1995 in prospect if European and US economies hold steady.

## Bakyrchik Gold seeks net £25m in placing

By Kenneth Gooding, Mining Correspondent

Bakyrchik Gold, which so far has raised £11m for investment in a gold mine in Kazakhstan since it was floated in London a year ago, is raising a further £25.1m net via a conditional placing and a 3-for-5 open offer of 9.45m shares.

This is far below the £70m cash call that Bakyrchik had warned shareholders was on the way.

Mr David Hooker, chairman, said yesterday that shareholders had indicated they would prefer some bank debt to be raised for the project. They would also prefer not to hand over all the required cash at one time.

Mr Hooker thought Bakyrchik might raise debt of between £35m and £40m. Discussions with some banks had started but, although it appeared money might be available "on suitable terms", negotiations were not likely to be completed until the end of this year.

He said Bakyrchik was likely to ask shareholders for further funds as early as the middle of 1995.

Bakyrchik was floated at 120p a share. The price has been up to 405p and the placing is to be at 283p compared with 292p on Wednesday. The shares closed up 6p last night at 297p.

The company wants to develop further the Bakyrchik gold mine in a joint venture with the Kazakhstan government. The first stage set out to prove that it was possible to treat the sulphide ore from the mine by the Redox process.

Mr Hooker said that the Redox plant was still not operating on a continuous basis because it had experienced "typical start-up problems". Production of 45,000 tonnes of gold a year (including 30,000 tonnes from the Redox plant) and a start on development of the underground mine were "the principal objectives for the next twelve months."

A feasibility study estimated that annual gold production from Bakyrchik's sulphide ore would be 265,000 ounces, against 230,000 ounces mentioned in the 1993 listing particulars. Sulphide reserves are estimated to contain 1.26m ounces of gold compared with 860,000 ounces previously.

The estimated cost of the second stage of development is now \$102m (\$66m) compared with \$108.2m at the time of listing. Cash production costs are estimated at \$142 an ounce compared with \$147, among the lowest in the world.

## Rates rebates help John Lewis to 74% advance

By Neil Buckley

John Lewis Partnership, the employee-owned department store and supermarket group, yesterday provided further evidence of the turnaround in its fortunes with a 74 per cent rise in pre-tax profits from £16.4m to £28.6m for the half year to July 30.

The increase was flattered by the receipt of rates rebates following successful appeals against valuations of some stores this year.

Last year's figures were also depressed by exceptional costs relating to the start-up of a Waitrose distribution centre and an accelerated depreciation charge on check-out equipment.

John Lewis refused to give figures for the exceptional items, but said that taking them into account, the underlying increase in pre-tax profits was about 33 per cent. Trading profits, after pension costs,

increased from £28.5m to £40.8m, while interest charges rose slightly from £12m to £12.1m.

Mr Stuart Hampson, chairman, said strong sales increases in the group's 22 department stores and 109 Waitrose supermarkets, as well as in its textile and furniture manufacturing businesses, coupled with costs held at last year's level, were responsible for the improved performance.

"We should be well pleased with the progress made in improving our profit," he said, although he advised partners to "keep their feet firmly on the ground".

He added that this week's rise in interest rates had not changed his view that "national economic conditions look set for not too much growth, not too little", but the rail strike was disrupting sales.

Group sales for the half year increased from £1.13bn to £1.19bn. Sales in the department stores increased by 6.5 per cent to £567.3m (£533.5m). Mr Hampson said the stores had "weathered the anticipated storm of the April tax increases" and furniture sales had been particularly strong. Sales in the Waitrose supermarket chain increased by 3.8 per cent from £577.3m to £599.3m. Only 0.5 percentage points of the increase was accounted for by inflation, with one new store opening during the period.

Mr Hampson said the installation of check-out scanning in many stores had had a positive impact on sales, and Waitrose would also benefit from the decision to open stores on Sundays following the partial deregulation of Sunday opening. Three new stores will open during the second half.

Sales in the wholesaling and manufacturing division increased from £17.6m to £21.3m, with sales outside the partnership up 20 per cent.

## Associated Newspapers buys Australian radio stake

By Nikki Taft in Sydney

Associated Newspapers, the UK media group whose newspaper interests include the Daily Mail and Mail on Sunday, yesterday acquired a 10 per cent stake in Austereo, the Australian radio group which runs stations in Sydney, Melbourne, Canberra, Adelaide and Brisbane.

The stake was bought through a placement of 10m new shares at A\$1.15, costing Associated Newspapers A\$11.5m (£5.46m). The two companies said the investment followed discussions between them "over recent months", and that they planned a "long-term business relationship".

However, Associated's move comes at a time when bid speculation surrounds the Australian group. Melbourne-based Village Roadshow, which has radio interests alongside its larger cinema and theme park operations, has a 14 per cent holding in Austereo, and this week announced plans to raise A\$230m of new funds, A\$80m of which was conditional upon an unspecified "strategic investment" going ahead.

While Village - in which the

UK's Anglia TV and Mr Kerry Packer's Nine Network hold minority stakes - has declined to detail its plans, there has been speculation that Austereo could be the target.

Earlier this week, Austereo, which only launched on the stockmarket in July, reported a loss of A\$8.3m for 1993/4. The figure was in line with prospectus projections, however, and the company has forecast a A\$13.9m after-tax profit for the current year.

The managing director of Associated Newspapers' radio division in the UK is Mr Charles Cox, an Australian.

## Tadpole expected to confirm US contract

By Alan Cane

Tadpole Technology, the Cambridge-based manufacturer of high-powered notebook computers, has confirmed that it expected shortly to announce a US defence-related contract worth millions of dollars over the next few years.

It also said that although its second half results would show significant increases in revenues compared with both the first half and the same period last year, the operating loss of £1.55m in the first half would not be reversed.

Mr George Grey, chief executive, said the announcement was being made because of press and other speculation.

Tadpole develops and manufactures portable workstations, personal computers with the power of mainframe computers in a notebook-sized package.

Tadpole is already manufacturing a notebook based on a microprocessor developed by Sun Microsystems and it has recently started making a machine for International Business Machines. Earlier this year, the company announced a deal with Digital Equipment of the US for notebooks based on the Alpha microprocessor.

Mr Grey said there would be continued heavy investment in development as the company prepared for broader markets.

In the six months to March 31 revenue was £10.6m.

## Sharp midway increase for Cala to £3.8m

Improved profitability in its Scottish market helped Cala, the Edinburgh-based house-builder and property developer, to report a sharp increase in profits in the year to June 30.

The pre-tax figure jumped from £226,000 to £3.76m on sales little changed at £77.7m.

The dividend for the year has been increased by 22 per cent to 2.8p (2.3). This included a proposed final payout of 1.9p, 0.1p higher than forecast at the time of its rights issue in March.

Earnings per share were 7.25p (1.99p). Net borrowings at the year end were £4m (£11.1m).

## Hawtial Whiting shares jump

Shares in Hawtial Whiting jumped by 65p to 285p after the motor industry design and engineering consultancy announced interim pre-tax profits quadrupled from £402,000 to £1.6m.

Turnover for the six months to June 30 rose by 18 per cent to £40.8m (£34.5m). Earnings per share came through at 12.8p (0.68p).

Mr John Whitecross, chairman, said that as an increasing number of automotive manufacturers implemented plans for product development the company could expect growth in its market.

### Arthur Wood rises

Arthur Wood & Son, the earthware product manufacturer, reported pre-tax profits up 15 per cent from £16,402 to £18,946 in the six months to June 30. Turnover rose 16 per cent from £1.53m to £1.78m, with a 53 per cent increase in exports. Earnings per share rose slightly to 0.62p (0.55p).

### Applied Distribution

Applied Distribution Group, which came to the market in March, announced a rise in pre-tax profits from £1.01m to £1.65m for the six months to July 2.

Turnover for the warehousing and distribution group amounted to £15.3m (£12m). A dividend of 1.3p is being paid from earnings of 5.9p.

### Jackson up 32%

Jackson Group, the construction concern, saw pre-tax profits rise by 32 per cent from £236,000 to £311,000 in the first half of 1994. Turnover on continuing operations grew 27 per cent to £33.6m.

Earnings per share improved to 0.3p (0.7p) and an unchanged interim dividend of 0.5p has been declared.

### British Fittings up

British Fittings, the pipeline equipment, water products and metals distribution group, lifted pre-tax profits by 65 per cent from £672,000 to £1.11m, in the half year to June 30.

Turnover edged ahead to £38.7m (£36.4m), including £137m from acquisitions. The interim dividend is lifted to 1p (0.75p), payable from earnings of 2.75p (1.71p) per share.

### Folkes advances

Increased demand for engineering products and services and the absence of losses from Evertidy Furniture, following its disposal last autumn, resulted in a turnaround at Folkes Group in the first half of 1994.

On sales of £19.2m, against £20.1m including £2.2m from discontinued activities, pre-tax profits were £1.3m (£200,000). In

1993 the engineering and property concern suffered a pre-tax loss of £1.72m.

The shares jumped 6p to 48p. The interim dividend is increased to 0.55p (0.57p) on earnings per share of 2.58p (0.29p).

### Swallowfield doubles

Pre-tax profits doubled at Swallowfield in the 24 weeks to June 18, from £22,000 to £1.04m. Turnover at the aerosols, toiletries and cosmetics manufacturer increased 24 per cent from £12m to £14.9m.

Earnings per share more than doubled to 5.6p (2.6p) and the interim dividend has been raised to 2.7p (2.2p).

### Comp Fin Solutions

Computerised Financial Solutions, the computer software company which joined the USM in February, reported pre-tax losses of £36,000 for the half year to June 30, against profits of £77,000.

Turnover was £1.4m (£1.64m). Losses per share were 1.1p (earnings 1.5p).

### Barlows in black

Barlows, the Chester-based property company, returned to profits in the six months to June 30 with £208,000 pre-tax against losses of £202,000.

Turnover was higher at £927,000 (£768,000) and there was a profit on sale of properties of £126,000, against a loss of £89,000. Earnings per share were 1.04p (losses 1p).

### Glencar cuts loss

Glencar Explorations, the Dublin-based mineral exploration company, reported reduced losses of £355,985 (£35,523) for the first half of 1994 against £335,616. Its main interests are in evaluating gold finds in Ghana.

### BZW Convertible

BZW Convertible Investment Trust reported net asset value down from 118.13p to 116.26p in the year to July 31.

Net revenue slipped from £4.3m to £3.98m and earnings per share were 7.84p (8.52p). The final dividend is 3.3p (same) for an unchanged total of 7.2p.

### Kleinwort Smaller

Kleinwort Smaller Companies Investment Trust reported net assets down 13 per cent from 168.1p to 145.7p in the six months to July 31.

Net revenue dropped from a restated £231,000 to £149,000 giving earnings per share of 1.13p (1.75p). The interim dividend has been cut to 1.1p (1.5p).

### Warrants and Value

Net asset value per share at Warrants and Value Investment Trust stood at 34.83p at June 30, a 12.8 per cent decline from 39.57p at end-December. Net losses for the half year were £24,000, against revenue of £34,000 and losses per share were 0.03p (0.04p earnings).

### CONTRACTS & TENDERS

## MINISTRY OF FINANCE

### SHORT TERM CONSULTANCY TO REVIEW THE CURRENT MALAWI GOVERNMENT BUDGETING SYSTEM

The Government of Malawi has obtained a loan from the World Bank (IDA) to implement a Second Institutional Development Project. One of the components of the project is the strengthening of the Institutional capacity of the Ministry of Finance.

Under this Component, Government proposes to introduce a system of Forward Budgeting. Before this can be done, there is need to review the current budgeting system.

The Ministry of Finance wishes to hire the services of a short term consultant to review the current Government Budgeting System.

#### The Objectives of the Review are:

1. To evaluate how the programme budgeting system has performed since its inception in 1987 to determine its strengths and weaknesses.
2. To review the effect of the decentralised accounting system to Programme Budgeting. To examine linkages between the budgetary systems within the Ministry of Finance and the line ministries.
3. To review the linkages that exist between the budget division of the Ministry of Finance and the Public Sector Investment Programme of the Ministry of Economic Planning and Development.
4. To make recommendations on the aspects of the present system that can be incorporated into the forward budgeting system.

#### Areas to be Covered Include:

1. Resource Mobilisation - Review how resources are mobilised internally as well as externally by programme and what effect this has had on the budget since 1987.
2. Resource utilisation since the start of the programme budgeting, how allocation of resources to programmes has affected attainment of goals by the ministries/departments.
3. Resource Management - This will involve a review of the decentralised accounting system which was implemented along with programme budgeting.
4. Linkages with the Public Sector Investment Programme - This will involve an analysis of the linkages between the budget cycle in the Ministry of Finance and the public sector investment programme (PSIP) in the Department of Economic Planning and Development.

Interested consultants should submit their proposals on how they intend to carry out this assignment and the submissions should include cost budgets.

#### Applications should be sent to:

The Secretary to the Treasury  
P O Box 30049  
LILONGWE 3, Malawi  
(Attention: Deputy Secretary (Budget))  
Fax No: 010 265 781 679

CLOSING DATE: 3RD OCTOBER 1994

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## THE KOREA-EUROPE FUND LIMITED PRELIMINARY RESULTS

The Directors of The Korea-Europe Fund Limited announce the preliminary results for the year ended 30 June 1994 (subject to audit).

	30 June 1994	30 June 1993
Assets applicable to ordinary capital	\$773,464,000	\$158,153,000
Net Asset value per share	\$7.78	\$3.91

During the year to the end of June 1994, the net asset value per share of The Korea-Europe Fund rose by 41.2 per cent compared to a rise in the KSE Composite Index in US Dollar terms of 24.1 per cent. This outperformance was due to the overweighting in blue chip manufacturing companies which performed particularly well during the period as domestic institutional investors bought heavily in response to strong earnings growth and expectations of a relaxation of the foreign ownership restrictions.

In June, the fund raised a further \$50 million for investment in Korean equities through a placing of 6,457,500 new shares. This brought the total capital raised by the Company since launch in 1987 to \$160 million. The new money raised was successfully invested in the market during June and July.

#### EARNINGS AND DIVIDENDS

In connection with the share issue, a special interim dividend of one cent per share, in lieu of a final dividend, was paid on 8 June 1994 and the Directors are therefore not recommending the payment of a final dividend.

	Year Ended 30 June 1994 \$'000	Year Ended 30 June 1993 \$'000
Investment Income:		
Dividends	3,106	3,040
Interest	167	319
	3,273	3,359
Deposit Interest	88	40
Total Revenue	3,361	3,399
Administrative Expenses	2,292	1,866
Revenue Before Taxation	1,069	1,533
Taxation	545	610
Revenue Available for Shareholders	524	923
Amount absorbed by dividend	287	430
Earnings per Share	1.81 cents	3.22 cents
Dividend for the Year per Share	1.00 cents	1.50 cents

#### ANNUAL GENERAL MEETING

Thursday 20th October 1994 at the Company's registered office: Barfield House, St. Julian's Avenue, St. Peter Port, Guernsey, Channel Islands

The Annual Report and Accounts will be sent by mail to holders of registered shares at their registered addresses. Copies of the Annual Report will be made available to holders of depositary warrants and to the public at the Company's place of business in England, Senator House, 85 Queen Victoria Street, London EC4V 4EJ, from 28 September 1994.

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## COMMODITIES AND AGRICULTURE

## Equatorial and Luksic in Chilean copper venture

By Kenneth Gooding, Mining Correspondent

Chile, which already produces more than 25 per cent of the world's copper, looks likely to get another big mining project. Equatorial Mining, an Australian company, and the Luksic group, one of Chile's biggest industrial organisations, are considering the joint development of their neighbouring copper deposits in the El Teniente area, 150km from Antofagasta.

Combining Equatorial's Leonor deposit with Luksic's Sorpresa deposit which surrounds it, would make it possible to develop a mine to produce at least 80,000 tonnes of copper cathode annually for a minimum of 12 years, Mr Peter MacAlister, Equatorial's chief executive, said yesterday.

Talks were taking place with several major copper producers about the possibility of bringing another group into the joint development.

The deposits lie on the same geological fault line as the world's two biggest copper mines, Chuquibambilla and Escondida, and is midway between them.

Nearly every mining company operating in Chile has staked some land in the area because the Leonor-Sorpresa copper is "exotic" - washed there from what must be a huge, high-grade deposit elsewhere, but probably close by. The big drawback is that the exotic copper is very difficult to release from the ore.

The Luksic group, founded by Mr Andronicos Luksic, is heavily involved in Chile's copper business through its London-quoted Antofagasta Holdings, which produced about 77,000 tonnes of copper in that country last year. The Sorpresa project is held separately from Antofagasta.

Luksic already has found 100m tonnes of very high-grade - 2 per cent - copper, enough for a big mine.

Equatorial, having previously failed to convince the Luksic group to join forces, has been pressing on with its own plans for a mine to produce about 30,000 tonnes of copper a year for 10 years. AMP Society, Australia's biggest financial services group, owns 19.9 per cent of Equatorial, the maximum permitted level before a bid is triggered.

Chile's copper output exceeded 2m tonnes for the first time last year and the total is expected to keep rising to more than 3m tonnes by 2000.

Escondida, jointly owned by BHP of Australia, RTZ of the UK, and a Japanese consortium, is rapidly being expanded into the world's biggest copper mine and this year's new mines include Cerro Colorado, in which Rio Algom of Canada is the main shareholder, and La Candelaria, a joint venture between Phelps Dodge of the US and Sumitomo of Japan.

## CAP boosts least efficient UK farmers, Touche Ross reports

By Deborah Hargreaves

Reform of the Common Agricultural Policy is giving a boost to Britain's least efficient farmers, according to a survey of 124 producers by chartered accountants Touche Ross.

The annual sample found that the first year of CAP reform had begun to close the income gap between the most and least profitable farm businesses.

Touche Ross's sample is grouped according to farm income with the farmers in the bottom 25 per cent recording losses for the past five years. These farmers showed a loss of £44 an acre in the 1992 harvest, but turned this into a profit of £17 an acre for last year's harvest.

However, the more profitable farmers in the top quartile of the sample showed an income boost of just £7 an acre during the same period - taking their income from £155 an acre to £162 an acre.

"There is no doubt that net farm incomes have risen generally because of the devaluation of sterling, but the most dramatic benefits have been seen by those farmers grouped in the bottom 25 per cent of our survey," said Mr Vincent Hedley Lewis, senior partner of Touche in Agriculture, the accountants' farming division.

Touche Ross believes the disparity between the rise in earnings for farmers at the top of the sample and those at the bottom arises from the European Union's set-aside policy.

All farmers are required to set aside, or lay fallow, 15 per cent of their land, but the most profitable farmers who are laying aside high-yielding land have the most to lose while set-aside payments are the same for all producers.

"I am concerned that the reforms to date have not done enough for the most efficient farmers. The EU is moving to a position where its farmers have to compete on world markets," said Mr Hedley Lewis.

"This means that minimising the cost of production is vital, and that is what the most efficient farmers do best."

Touche Ross also said that overhead costs in farming continued to rise despite the reduced area farmed because of set-aside.

## US maize set-aside of 5% expected

By Laurie Morse in Chicago

Faced with a near-record crop and mounting grain stocks, the US Department of Agriculture is expected to ask farmers to set aside, or lay fallow, 5 per cent of the land they ordinarily would plant to maize in 1995.

Grain analysts say that, if the current US maize harvest balloons to a record, the set-aside requirement could rise to 7.5 per cent by mid-November.

The USDA is required to announce its preliminary set-aside requirement for maize by September 30 and can make adjustments until November 15. US farmers follow set-aside guidelines to be eligible for price support.

US farmers are set to harvest about 9.577m bushels of maize this autumn.

Farmers have known since May that they will not have to set aside any land for next year's wheat crop, a factor they see tied as much to the US government's desire to remain competitive in the world wheat markets as to any domestic supply management needs.

They have not been required to make idle wheat acres under the so-called Acreage Reduction Program since 1989, when there was a 5 per cent set-aside.

US wheat stocks have risen steadily from 472m bushels in 1991 to a projected 611m bushels this year.

## FT GOLD INDEX

The Financial Times Gold Mines Index committee decided yesterday that Highlands Gold would be removed from the index on October 1 as it no longer met the production criterion.

## India opts for organic cotton

Kunal Bose says world demand has dictated the eco-friendly move

Growing international demand for fabrics produced from organic cotton, rather than environmentally unfriendly pesticides, has prompted India to grow cotton without using chemicals.

The federal government with the support of agencies at state level has identified 1,000 hectares of land in Rajasthan and Madhya Pradesh for producing organic cotton on a pilot scale.

Mr S. Sathyan, secretary for textiles, says: "We hope to be able to prevail upon a large number of farmers to take to the organic way of growing cotton. This, however, is not going to be a simple exercise since cotton productivity, which already is low in India, will fall in the first year of organic cultivation."

India has nearly 8m hectares, the labour costs of organic farming are higher. The growers will also not be getting any premium for their efforts until the chemical residues in the land fully disappear. But farmers will not have to spend money on fertilisers and pesticides.

India has nearly 8m hectares, the labour costs of organic farming are higher. The growers will also not be getting any premium for their efforts until the chemical residues in the land fully disappear. But farmers will not have to spend money on fertilisers and pesticides.

However, in spite of intensive spraying of cotton fields with pesticides, the standing crop remains vulnerable to attacks by boll worm and white fly which have developed resistance to chemicals. In many Indian cotton growing

The campaign will depend on convincing farmers that fertility of their land will not be affected by non-use of chemicals.

centres, the pesticide use has led to the elimination of insects which used to keep the pests in check.

The success of the campaign to promote the cultivation of organic cotton will largely depend on the ability of the agricultural extension officers to convince the farmers that the non-use of chemicals will not affect the fertility of the land, and on the government offering a package of incentives for the changeover to the new methods of cultivation.

Cotton growers, who mainly have small holdings, will need financial assistance to construct compost pits and buy

to make spot checks throughout the season to ensure that no chemicals are used. Organic cotton will be used exclusively to produce yarn for the export market. Quality, therefore, will be a basic preoccupation.

Mr Sathyan explains that India, encouraged by the success of the US, had also decided to grow naturally-coloured cotton which fetches a very high premium in the overseas market.

There has, however, been a setback in the programme since India failed to get the hybrid seeds and technology from the US needed to grow cotton in six different shades. The government, therefore, has decided to fund a biotechnology project so that seeds for naturally-coloured cotton are locally produced. The coloured cotton makes the dyeing of yarn and fabric redundant. And that, too, is considered eco-friendly.

India has failed to get the hybrid seeds and technology from the US needed to grow cotton in six different shades.

decided to grow naturally-coloured cotton which fetches a very high premium in the overseas market.

## Wood chip shortage threat to BC pulp mills

By Bernard Simon in Toronto

A severe shortage of wood chips is threatening the closure of several British Columbia pulp mills, and has given a further twist to the upward spiral in pulp and paper prices.

Chip prices on Canada's west coast have doubled since May from C\$80 (\$26) to about C\$120 per bone-dry unit (BDU), which weighs about two tonnes. One sign of the shortage is a sharp rise in chip exports, mainly to Japan.

Mr Tony Jarrett, president of Fibreco Export of Vancouver, estimated that shipments next year would fall to 185,000 BDUs in 1995 from 400,000 BDUs in 1992.

According to Pulp and Paper Week, a trade publication, two mills in British Columbia have already closed due to a shortage of chips. BC is the world's biggest producer of pulp traded on open markets.

Mr David Finesant, an economist at Resource Information Systems, a US consultancy,

said that other mills were considering shutting down to build up chip stocks.

A number of mills are also said to be investigating the feasibility of importing chips or of installing their own chipping machines.

Most chips are presently produced by saw mills as a by-product. The fibre shortage has been caused by a variety of commercial and environmental pressures.

With lumber prices relatively high over the past 23 years,

many saw mills have moved away from chips in favour of low-grade timber products, such as wooden pallets.

Declining chip production was masked until earlier this year by the deep slump in the pulp market. However, Canadian pulp mills' operating rates have climbed from around 80 per cent in mid-1993 to 98 per cent last July, reflecting a jump in pulp prices from US\$300 (\$230) per tonne to the present level of \$700 per tonne.

## COMMODITIES PRICES

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Associated Metal Trading)

## ALUMINIUM, 99.7 PURITY (% per tonne)

	Close	3 mths
Previous	1552-3	1579-7
High/Low	1552-3	1582-3
AM Official	1580-1	1580/1575
AM Official	1581-5	1581-5
Karb close	1580-2	1580-2
Open int.	285,892	
Total daily turnover	47,078	

## ALUMINIUM ALLOY (% per tonne)

	Close	3 mths
Previous	1580-40	1595-025
High/Low	1580-5	1580-5
AM Official	1585-45	1595/1585
AM Official	1585-45	1595-005
Karb close	1580-10	1580-10
Open int.	2,847	
Total daily turnover	571	

## LEAD (% per tonne)

	Close	3 mths
Previous	618-21	631-3
High/Low	618-4	627-5-8
AM Official	624	635/626
AM Official	624-5	634-5-5
Karb close	624-5	624-5
Open int.	42,591	
Total daily turnover	7,284	

## NICKEL (% per tonne)

	Close	3 mths
Previous	6550-50	6550-50
High/Low	6545-50	6545-50
AM Official	6540-50	6540-50
AM Official	6540-50	6540-50
Karb close	6540-50	6540-50
Open int.	65,054	
Total daily turnover	14,950	

## ZINC (% per tonne)

	Close	3 mths
Previous	5240-60	5318-50
High/Low	5240-5	5318-50
AM Official	5240-5	5318-50
AM Official	5240-5	5318-50
Karb close	5240-5	5318-50
Open int.	52,405	
Total daily turnover	21,258	

## COPPER, SPECIAL HIGH GRADE (% per tonne)

	Close	3 mths
Previous	2471-2	2487-3
High/Low	2471-2	2487-3
AM Official	2487-2	2487-2
AM Official	2487-2	2487-2
Karb close	2487-2	2487-2
Open int.	218,105	
Total daily turnover	32,499	

## LME CLOSING 05 SEP 1994

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## LME CLOSING 05 SEP 1994

## LME CLOSING 05 SEP 1994

## PRECIOUS METALS continued

## GOLD COMEX (100 Troy oz; \$/troy oz)

	price	change	High	low	last
Sep	388.2	-0.8		-	2
Oct	388.9	-1.0	389.2	387.5	8,067
Nov	390.4	-1.0	-	-	-
Dec	391.8	-1.0	392.4	390.8	90,535
Feb	395.2	-1.0	395.4	394.2	13,832
Apr	398.5	-1.0	398.6	397.4	6,818
Total					168,230
■ PLATINUM NYMEX (50 Troy oz.; \$/troy)					
Oct	411.0	-2.7	411.5	407.5	13,828
Jan	415.3	-2.4	416.0	410.5	8,161
Apr	418.8	-2.5	419.1	415.5	2,103
Jul	422.1	-2.5	-	-	454
Oct	424.8	-2.5	425.0	423.0	3



**Philip Wrigley**  
**1 407 873 3351**



## INVESTMENT TRUSTS - Contd.

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## INVESTMENT TRUSTS - Cont.

Trust Name	Price	Dividend	Yield	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597
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**LUXEMBOURG** (SIB REGISTRATION)

ASX ANNO Funds	12/93	12/92	12/91	12/90	12/89	12/88	12/87	12/86	12/85	12/84	12/83	12/82	12/81	12/80	12/79	12/78	12/77	12/76	12/75	12/74	12/73	12/72	12/71	12/70	12/69	12/68	12/67	12/66	12/65	12/64	12/63	12/62	12/61	12/60	12/59	12/58	12/57	12/56	12/55	12/54	12/53	12/52	12/51	12/50	12/49	12/48	12/47	12/46	12/45	12/44	12/43	12/42	12/41	12/40	12/39	12/38	12/37	12/36	12/35	12/34	12/33	12/32	12/31	12/30	12/29	12/28	12/27	12/26	12/25	12/24	12/23	12/22	12/21	12/20	12/19	12/18	12/17	12/16	12/15	12/14	12/13	12/12	12/11	12/10	12/09	12/08	12/07	12/06	12/05	12/04	12/03	12/02	12/01	11/99	11/98	11/97	11/96	11/95	11/94	11/93	11/92	11/91	11/90	11/89	11/88	11/87	11/86	11/85	11/84	11/83	11/82	11/81	11/80	11/79	11/78	11/77	11/76	11/75	11/74	11/73	11/72	11/71	11/70	11/69	11/68	11/67	11/66	11/65	11/64	11/63	11/62	11/61	11/60	11/59	11/58	11/57	11/56	11/55	11/54	11/53	11/52	11/51	11/50	11/49	11/48	11/47	11/46	11/45	11/44	11/43	11/42	11/41	11/40	11/39	11/38	11/37	11/36	11/35	11/34	11/33	11/32	11/31	11/30	11/29	11/28	11/27	11/26	11/25	11/24	11/23	11/22	11/21	11/20	11/19	11/18	11/17	11/16	11/15	11/14	11/13	11/12	11/11	11/10	11/09	11/08	11/07	11/06	11/05	11/04	11/03	11/02	11/01	10/99	10/98	10/97	10/96	10/95	10/94	10/93	10/92	10/91	10/90	10/89	10/88	10/87	10/86	10/85	10/84	10/83	10/82	10/81	10/80	10/79	10/78	10/77	10/76	10/75	10/74	10/73	10/72	10/71	10/70	10/69	10/68	10/67	10/66	10/65	10/64	10/63	10/62	10/61	10/60	10/59	10/58	10/57	10/56	10/55	10/54	10/53	10/52	10/51	10/50	10/49	10/48	10/47	10/46	10/45	10/44	10/43	10/42	10/41	10/40	10/39	10/38	10/37	10/36	10/35	10/34	10/33	10/32	10/31	10/30	10/29	10/28	10/27	10/26	10/25	10/24	10/23	10/22	10/21	10/20	10/19	10/18	10/17	10/16	10/15	10/14	10/13	10/12	10/11	10/10	10/09	10/08	10/07	10/06	10/05	10/04	10/03	10/02	10/01	09/99	09/98	09/97	09/96	09/95	09/94	09/93	09/92	09/91	09/90	09/89	09/88	09/87	09/86	09/85	09/84	09/83	09/82	09/81	09/80	09/79	09/78	09/77	09/76	09/75	09/74	09/73	09/72	09/71	09/70	09/69	09/68	09/67	09/66	09/65	09/64	09/63	09/62	09/61	09/60	09/59	09/58	09/57	09/56	09/55	09/54	09/53	09/52	09/51	09/50	09/49	09/48	09/47	09/46	09/45	09/44	09/43	09/42	09/41	09/40	09/39	09/38	09/37	09/36	09/35	09/34	09/33	09/32	09/31	09/30	09/29	09/28	09/27	09/26	09/25	09/24	09/23	09/22	09/21	09/20	09/19	09/18	09/17	09/16	09/15	09/14	09/13	09/12	09/11	09/10	09/09	09/08	09/07	09/06	09/05	09/04	09/03	09/02	09/01	08/99	08/98	08/97	08/96	08/95	08/94	08/93	08/92	08/91	08/90	08/89	08/88	08/87	08/86	08/85	08/84	08/83	08/82	08/81	08/80	08/79	08/78	08/77	08/76	08/75	08/74	08/73	08/72	08/71	08/70	08/69	08/68	08/67	08/66	08/65	08/64	08/63	08/62	08/61	08/60	08/59	08/58	08/57	08/56	08/55	08/54	08/53	08/52	08/51	08/50	08/49	08/48	08/47	08/46	08/45	08/44	08/43	08/42	08/41	08/40	08/39	08/38	08/37	08/36	08/35	08/34	08/33	08/32	08/31	08/30	08/29	08/28	08/27	08/26	08/25	08/24	08/23	08/22	08/21	08/20	08/19	08/18	08/17	08/16	08/15	08/14	08/13	08/12	08/11	08/10	08/09	08/08	08/07	08/06	08/05	08/04	08/03	08/02	08/01	07/99	07/98	07/97	07/96	07/95	07/94	07/93	07/92	07/91	07/90	07/89	07/88	07/87	07/86	07/85	07/84	07/83	07/82	07/81	07/80	07/79	07/78	07/77	07/76	07/75	07/74	07/73	07/72	07/71	07/70	07/69	07/68	07/67	07/66	07/65	07/64	07/63	07/62	07/61	07/60	07/59	07/58	07/57	07/56	07/55	07/54	07/53	07/52	07/51	07/50	07/49	07/48	07/47	07/46	07/45	07/44	07/43	07/42	07/41	07/40	07/39	07/38	07/37	07/36	07/35	07/34	07/33	07/32	07/31	07/30	07/29	07/28	07/27	07/26	07/25	07/24	07/23	07/22	07/21	07/20	07/19	07/18	07/17	07/16	07/15	07/14	07/13	07/12	07/11	07/10	07/09	07/08	07/07	07/06	07/05	07/04	07/03	07/02	07/01	06/99	06/98	06/97	06/96	06/95	06/94	06/93	06/92	06/91	06/90	06/89	06/88	06/87	06/86	06/85	06/84	06/83	06/82	06/81	06/80	06/79	06/78	06/77	06/76	06/75	06/74	06/73	06/72	06/71	06/70	06/69	06/68	06/67	06/66	06/65	06/64	06/63	06/62	06/61	06/60	06/59	06/58	06/57	06/56	06/55	06/54	06/53	06/52	06/51	06/50	06/49	06/48	06/47	06/46	06/45	06/44	06/43	06/42	06/41	06/40	06/39	06/38	06/37	06/36	06/35	06/34	06/33	06/32	06/31	06/30	06/29	06/28	06/27	06/26	06/25	06/24	06/23	06/22	06/21	06/20	06/19	06/18	06/17	06/16	06/15	06/14	06/13	06/12	06/11	06/10	06/09	06/08	06/07	06/06	06/05	06/04	06/03	06/02	06/01	05/99	05/98	05/97	05/96	05/95	05/94	05/93	05/92	05/91	05/90	05/89	05/88	05/87	05/86	05/85	05/84	05/83	05/82	05/81	05/80	05/79	05/78	05/77	05/76	05/75	05/74	05/73	05/72	05/71	05/70	05/69	05/68	05/67	05/66	05/65	05/64	05/63	05/62	05/61	05/60	05/59	05/58	05/57	05/56	05/55	05/54	05/53	05/52	05/51	05/50	05/49	05/48	05/47	05/46	05/45	05/44	05/43	05/42	05/41	05/40	05/39	05/38	05/37	05/36	05/35	05/34	05/33	05/32	05/31	05/30	05/29	05/28	05/27	05/26	05/25	05/24	05/23	05/22	05/21	05/20	05/19	05/18	05/17	05/16	05/15	05/14	05/13	05/12	05/11	05/10	05/09	05/08	05/07	05/06	05/05	05/04	05/03	05/02	05/01	04/99	04/98	04/97	04/96	04/95	04/94	04/93	04/92	04/91	04/90	04/89	04/88	04/87	04/86	04/85	04/84	04/83	04/82	04/81	04/80	04/79	04/78	04/77	04/76	04/75	04/74	04/73	04/72	04/71	04/70	04/69	04/68	04/67	04/66	04/65	04/64	04/63	04/62	04/61	04/60	04/59	04/58	04/57	04/56	04/55	04/54	04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## RECRUITMENT

## JOBS: Career planning in the changing organisation

## Academics get into the act

Changing business structures have led to a surge in interest among companies in career patterns. So much so that some 26 companies and public bodies have subscribed to a UK-based research group called the Careers Research Forum, established to investigate best practice in career development.

The organisations have each paid \$5,000 to join the forum, which is funding a two-year research programme by Prof David Guest of Birkbeck College at the University of London. The CRF, structured as a limited company, is run by an advisory council of academics and human resource specialists.

The panel includes Prof Guest, Prof Peter Herriot, director of research at Sandridge Park, Andrew Mayo of ICL, Andrew Garner of Boyden International, the executive search firm, Mike Haffenden of OEC, consultants, and Simon Barrow and Andrew Lambert of People in Business, a management consultancy.

The forum says it was established in response to widespread discussion about changing career patterns. Delaying, fewer voluntary departures and changes in the use of consultants and outsource-

ing have all reduced the likelihood of one-company careers, say CRF.

It adds: "At the same time there is a rapid change of pace in all organisations. With the advent of new markets, technologies and structures, people are expected to do more and do better, yet with the prospect of limited career progression and no guarantee of security."

The forum is holding a public conference at the Dorchester Hotel, London, on November 16-17. Further details can be obtained from CRF at 071 336 7790.

## Without wheels

Why do we persist with the company car as a form of reward? Companies have become increasingly concerned about the cost of the company car yet, according to the latest employee benefits report by the Reward Group, most are afraid to withdraw them in case it hinders the recruitment and retention of staff.

Perhaps the reason has more

to do with basic human nature. The managers responsible for company car policies tend to run company cars themselves and few people want to give up something voluntarily.

What many companies have been doing is extending the life of their fleets. Almost a third of those in the Reward survey had lengthened replacement periods, typically by 12 months to four years, or by an additional 20,000 miles.

Other trends highlighted by the survey included harmonisation of benefits for all employees - some 45 per cent of companies surveyed had policies to harmonise benefits such as holiday entitlement, hours of work, overtime rates and sick pay among all staff.

Reward says that a typical benefits package for a director of a large company (those with turnovers between £25m and £200m) would include a company car (provided to 63 per cent of the directors - with free private mileage for 84 per cent), changed every three years or 80,000 miles, free pri-

vate health insurance (87 per cent) and 25 days a year holiday with a working week of between 46 and 60 hours.

## Global earnings

The answer to all those anxious jobs who regularly call the jobs column looking for international prices and earnings comparisons has been delivered by the Union Bank of Switzerland in its latest edition of Prices and Earnings Around the Globe.

It is three years since UBS produced the last edition, but the latest version has been worth the wait. It not only gives price comparisons on a range of goods and services in 53 cities, but includes data on incomes and earnings across a range of jobs.

Whereas secretaries in Geneva, Zurich, Luxembourg, Dusseldorf, and Tokyo seldom earn less than \$35,000 a year, their counterparts in Budapest, Manila, Jakarta, Prague, Bombay, Lagos and Nairobi will earn a tenth of that. The global

average salary of a departmental manager is about \$43,300 with the biggest salaries in Tokyo and the top Swiss, German and US cities.

The graph (right) shows the average earnings in 53 cities from the weighted hourly net wages of 13 occupations: primary school teachers, bus drivers, car mechanics, building labourers, skilled industrial workers, bank clerks, secretaries, women industrial workers, cooks, saleswomen, department managers, and electrical or mechanical engineers.

Employees in Zurich, Geneva, Tokyo, Luxembourg, Chicago and New York have the most take-home pay and those in Nairobi, Lagos, Bombay and Caracas get the least.

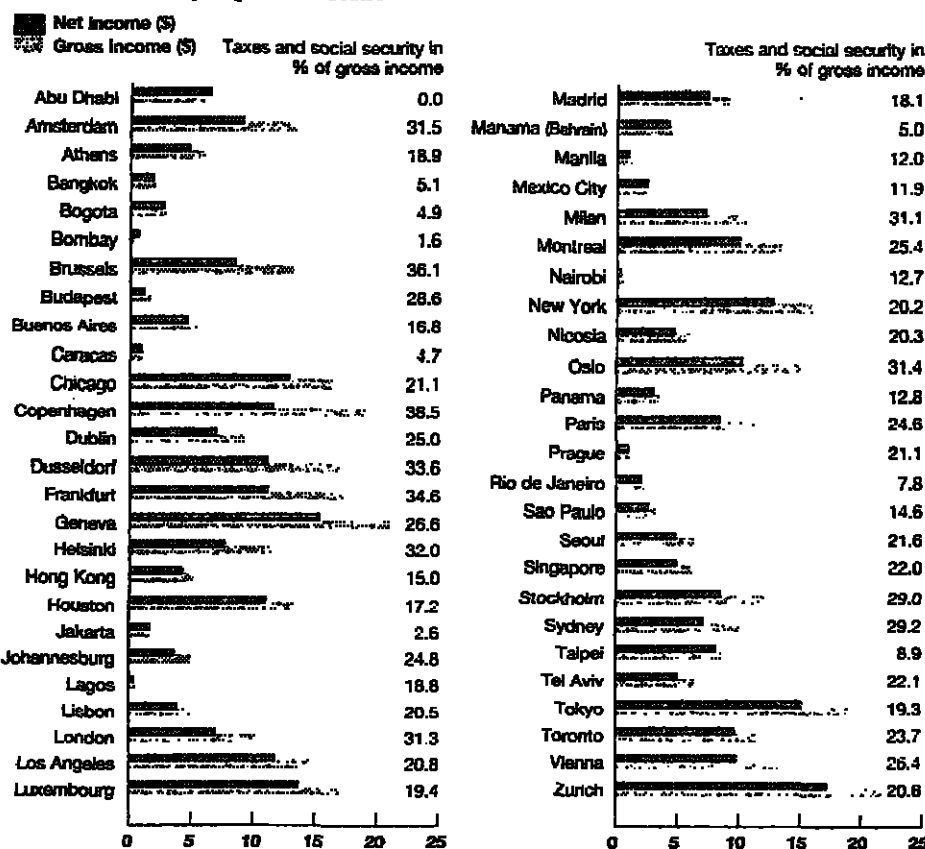
The dark bars show net income, light bars net income and the figures on the right show the taxes and social security deductions as a percentage of gross income. The figures marked from 0-25 on the bottom line are US dollars.

Copies of the report can be ordered free while stocks last from the Union Bank of Switzerland, Economic Information Centre (GEICH), Postbox, 3021 Zurich, Switzerland.

Richard Donkin

## Comparison in international earnings

Gross and net hourly wages in US dollars\*



Source: UBS

\* Actual hourly wages in 12 occupations after taking into account working time, holidays and vacations. Weighted by occupation

## EMERGING MARKETS



## SEARCH &amp; SELECTION

## EMERGING MARKETS FIXED INCOME ECONOMIST RESEARCH ANALYSIS

LONDON - NEW YORK

Our client, a leading Banking house, wishes to appoint an Economist with at least three years experience of country analysis, preferably in emerging markets, to work with a successful emerging markets team. The ideal candidate will have a degree in economics, a strong quantitative background, and experience of fixed income analysis.

The appointee will, in conjunction with the traders and portfolio managers, be responsible for:

Country analysis and the production of research material from the perspective of identifying investment opportunities in debt instruments.

Analysis of global/economic trends affecting emerging markets fixed income securities.

Comparative analysis and arbitrage identification between various emerging markets securities.

Candidates must be self-starters with a keen interest in the emerging markets and have the ability to demonstrate dedication, communication skills, entrepreneurial flair and a strong desire for success.

An attractive remuneration package will be offered to the right person. If you believe that you can offer our Client these qualities, please send your CV in complete confidence to:

David Williams, Emerging Markets Search and Selection  
250 Madison Avenue, London EC1M 3EH  
A Division of Financial Markets Recruitment Ltd  
Tel 071 609 4744 Fax 071 609 4717

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## London

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## Exceptional Opportunity in Fund Management

Safra Republic is part of a worldwide private banking group and has an enviable record for attracting high net worth private clients. With a strong balance sheet it has an AA rating. Client portfolio assets have increased rapidly and are currently over \$12 billion. A UK fund management company has been formed to manage the group's mutual funds.

Reporting to the non-resident Executive Chairman, you will manage all operational aspects of the company and those of the funds under management, from launch and onwards. With the support of various managers, your responsibilities will include systems, telecommunications, reporting and control and compliance.

You should have hands-on experience at a senior level in a

financial services organisation, ideally in fund management operations, with a good knowledge of compliance and tax. Educated to degree level, you will have outstanding problem solving capability combined with the ability to communicate with confidence at the highest levels. With a conservative approach, you will thrive in an entrepreneurial, unstructured environment.

The role offers the opportunity to make a major contribution in a start-up situation within a dynamic group. Please send your CV, quoting reference number 8901, salary details and, where possible, daytime telephone number, to the advising consultants, Goodman Graham & Associates, 8 Beaumont Gate, Shenley Hill, Radlett, Herts WD7 7AR. Fax: 0923 854791.

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## Derivatives Analyst

London

£ Negotiable

Our client is a leading US bank with a high profile in the international capital markets arena. It has an excellent global network which spans over 30 countries and several continents. The bank possesses an enviable reputation in the derivatives markets and combines first class trading skills with innovative and sophisticated product development techniques.

In order to maintain its competitive advantage our client recognises the value of quantitative analysis and product development. To this end it is now looking to recruit an exceptionally high calibre Derivatives Analyst to join its research team in London. The function of the research team is to provide ideas and products (with a European focus) for the trading desks. The product range covers the fixed income, equity and FX markets. This is a desk based position and the successful candidate will work in close liaison with the traders.

The ideal candidate will:

- Have a highly quantitative background and is likely to be educated to PhD level.

- Display in-depth technical knowledge of option theory and an understanding of the practical application of such products to the 'imperfect' trading environment.
- Have 1-2 years experience of derivative product research (equities, fixed income or FX) and testing, implementing and developing models, for use by the trading groups.
- Demonstrate good programming skills using C and C++.

This is an excellent opportunity for an ambitious quantitative analyst or researcher, who seeks to utilise their proven analytical and modelling skills in a dynamic and innovative trading environment. The successful candidate should possess excellent communication skills as well as the determination to succeed in a competitive environment.

Interested candidates should contact Gavin Starling on 071 831 2000, or write to him quoting reference 187044 at Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH. All applications will be treated in the strictest confidence.



Michael Page City  
International Recruitment Consultants  
London Paris Frankfurt Hong Kong Sydney

## LATIN AMERICAN OPPORTUNITIES

BUSINESS DEVELOPMENT  
EXCELLENT SALARY + BONUSMKT. RESEARCH ASSISTANT  
EXCELLENT SALARY + BONUS

We are seeking a fully rounded banker with experience in the distribution of Latin American fixed income and/or equity instruments throughout Europe. In addition to having good contacts with financial institutions, coupled with the ability to place eurobonds, euro notes, equities and other financial instruments, you will have the ability to identify a wide range of opportunities for the bank in London. Ideally, you will be in your early to mid 30's, be a problem solver and have excellent interpersonal skills.

We are seeking a young, detail-oriented graduate who has strong research and interpersonal skills. He/She will search and store information from a variety of sources. Identifying, inputting and maintaining a database on top Latin American companies and other financial institutions throughout Europe is critical to the success of the UK operation. Spanish would be a help and opportunities, following a successful contribution, for advancement exist.

Please send your cv, in strictest confidence, to Michele MacPherson

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TF Telephone 071-623 1266 Facsimile 071-626 5299

JONATHAN WREN EXECUTIVE

## PORTABLE SOLUTION SET

Investment Strategist, years of experience in pre-emerging and emerging markets, economics, and planning. Fluent in French, experience gained in Africa, Asia and Middle East seeks London based opportunities.

Please write to Box A2140, Financial Times, One Southwark Bridge, London SE1 9HL.

## SEASONED CITY ECONOMIST +

Versatile in: Financial Markets, Global Political Economy, Country and Industry Analysis (Risk etc.) Will consider anything challenging, anywhere (T.W.I.M.O.) Trainable personable, pro-active, bi-lingual (German). Likes cats.

Write to Box A2137, Financial Times, One Southwark Bridge, London SE1 9HL.

## Lazard Brothers &amp; Co., Limited

## Corporate Finance Executives

## Experienced Analysts, newly qualified ACA's and Lawyers

The Corporate Finance Division of Lazard Brothers acts for a large number of significant clients in both the public and the private sector. It also works closely with the Lazard Houses in Paris and New York to form a major force in global investment banking.

The Division is enjoying sustained growth, creating further demand for Corporate Finance Executives. Applications are invited from Corporate Finance Analysts completing a training programme with a major institution and from newly or recently qualified Chartered Accountants and Lawyers with major firms.

These positions are highly sought after and selection criteria will be demanding: candidates must demonstrate impeccable credentials including at least a 2.1 degree, numeracy, excellent interpersonal skills and creativity. It is unlikely that successful candidates will be over 27 years old. In return the Bank offers a competitive package, varied experience and first-rate career prospects.

Those interested are asked to write, enclosing full career details and stating reasons for applying, to The Halkey Consulting Partnership, 34 Brook Street, Mayfair, London W1Y 1YA. Telephone: 071 495 4446. Please quote reference L/440/8.



## TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

MANAGING DIRECTOR  
FINANCIAL SERVICES

Manchester

Highly Competitive Salary + Benefits

Our client, one of the longest-established stockbroking and investment management groups in the UK, has recently reviewed its Group activities. As a result of this review, it has identified a need to recruit an ambitious and experienced individual to run its unit trust and PEP operations.

The individual will be a member of, and will report directly to, the Executive Committee, having responsibility for future development and strategy, and for management and marketing on a day-to-day basis. The role will require a creative and independent thinker, with the ability to command the respect of colleagues and clients during a time of change and growth.

Ideally, candidates should be aged between 35 and 55, with a sound knowledge of the unit trust and PEP sectors. Proven business development and strong marketing skills within the field of investment management are essential requisites for this challenging and demanding position. Career prospects within the Group are excellent for the successful individual.

Interested candidates with the relevant experience should send a curriculum vitae, in strictest confidence, to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting reference WS/127/1.

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DEPARTMENT OF ECONOMIC DEVELOPMENT  
TRAINING AND EMPLOYMENT AGENCYDEPUTY CHIEF EXECUTIVE  
AND CHIEF EXECUTIVE DESIGNATE

Applications are invited for the post of Deputy Chief Executive in the Training and Employment Agency. It is intended that the appointee, subject to satisfactory performance, will become Chief Executive of the Agency, when the present postholder retires in September 1995.

The Agency is part of the Department of Economic Development. It operates with delegated responsibility and authority. The Agency operates a wide range of services including a variety of training services, employment and career services and services to the disabled.

The appointment is offered on the basis of a 3 year contract with the possibility of renewal. The Department would also be prepared to appoint on the basis of an inward secondment on terms agreed with the parent organisation.

On appointment to Deputy Chief Executive the salary will be related to the Northern Ireland Civil Service Grade 4 range which currently is £44,390 to £50,412. The Chief Executive's salary is the Northern Ireland Civil Service Grade 3 range which currently is £52,704 to £62,817.

The successful applicant will be qualified to the third level and have extensive senior management experience in the private or public sectors. A sound knowledge of labour market matters, with particular reference to the operation of employment and training services, is essential.

A job information sheet is available on request from Mr W P Hagen, Department of Economic Development, Massey Avenue, Belfast BT4 2JF, Telephone 0232 529339.

The closing date for applications will be 23 September 1994.

The Northern Ireland Civil Service is committed to equality of opportunity in employment and welcomes applications from all suitably qualified applicants, irrespective of religion, gender or disability. As Roman Catholics and women are currently under-represented amongst the senior general service grades, applications from the Roman Catholic section of the community and from women would be particularly welcome. All applications will be considered strictly on the basis of merit.

## BANKING FINANCE &amp; GENERAL APPOINTMENTS

Head of Monitoring Unit  
Monitoring Officers

Croydon &amp; Docklands

Starting salaries £21,000 to £32,000 + car + benefits

The Personal Investment Authority (PIA) is the new self regulatory organisation (SRO) established to ensure the delivery of high standards of investor protection across the retail financial services sector. Member firms include product providers such as life assurance companies, as well as Independent Financial Advisors (IFAs). Our new organisation structure will integrate the predecessor SROs and create a range of challenging new opportunities.

Our monitoring units are central to the achievement of PIA's objectives, being responsible for ensuring compliance with our rules. Members' activities and compliance systems are reviewed during planned visits and ad hoc special investigations by the monitoring units. Each unit comprises 3 Monitoring Officers led by the Head of Unit with responsibility for the planning and organisation of the visits. Each team member is accountable for specific aspects of the compliance assessment, which are then consolidated by the Head of Unit into a final report. During visits the Monitoring Officers, as well as the Head of Unit, liaise closely with staff in the member firm, ensuring that appropriate relationships are maintained. Monitoring teams can expect to travel widely and spend periods of time away from home.

We seek good team players with strong interpersonal skills and a high degree of integrity. Candidates should be of graduate calibre and possess relevant financial services experience from within compliance, marketing or technical departments. Candidates from outside the industry must have proven expertise in an investigative or regulatory role such as audit, legal or compliance within another industry or profession. Evidence of leadership and man-management experience is required for the Head of Unit.

Opportunities also exist at the Head of Unit level for a specialist in Training and Competence and for additional Monitoring Coordinators who will be office-based.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to Ann Shepherd, Coopers & Lybrand Executive Resourcing Ltd, 1 Embankment Place, London WC2N 6NN, quoting reference AS1050/F on both envelope and letter.

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Lloyds Private Banking Ltd is a leading provider of private client asset management services. Funds under management, including holdings of over £3 billion in UK equities, have increased rapidly in recent years.

We now require an additional Equity Analyst to join the Research Department in Haywards Heath. Reporting to the Chief Manager (Investment Services) the successful candidate will be responsible for coverage of a segment of the UK Equity Market and will be expected to make a contribution to the determination of overall policy.

The position is a demanding one and we are looking for the following characteristics:

- ◆ A minimum of 3 years experience in an equity research background together with an appropriate professional qualification.
- ◆ Capable of working as part of a tightly focused team.
- ◆ An effective and persuasive communicator with well developed writing skills.
- ◆ Computer literacy would be an advantage.

Candidates with relevant experience are invited to apply by 3rd October 1994 to:

Mrs Sharon Auld, Personnel Manager,  
Private Banking & Financial Services,  
Capital House, 1/5 Perrymount Road,  
Haywards Heath, West Sussex RH16 3SP.



## ASSISTANT TO M.D.

Roulston Research (U.K.) LTD., Inc., a regional U.S. broker dealing with institutional investors in the U.K. and continental Europe, seeks a self-starting professional to assist the Managing Director in its London office. The ideal candidate will possess strong planning and organizational skills, excellent selling and advising skills, as well as the ability to examine new investment ideas, and be able to work with a large degree of independence. Initial responsibilities will include some administrative duties, moving to become a broker as soon as possible with the potential for management responsibility within five years.

Salary and strong opportunity to be compensated on a commission plus bonus in the six digit area will come as rapidly as the individual can progress.

Please reply in writing to:  
Mr. G. C. Aberle, Roulston Research (U.K.) Ltd. Inc.  
9 Coldbath Sq., Rosebery Ave, London EC1R 5HL

## CREDIT ANALYST GRADUATE TRAINEE

A leading Japanese Bank is seeking to recruit a recent graduate into its Corporate Finance Department.

The corporate finance team concentrates predominantly on leading in the syndicated and bilateral loan markets and an important part of its work includes marketing of the Bank to both new and existing clients.

Areas of responsibility will include:

- Analysing the credit of corporate borrowers
- Marketing the Bank to prospective clients
- Monitoring loans within the existing portfolio.

The successful candidate will be an outgoing and confident graduate, with a good degree in a business related discipline and a basic understanding of accountancy. Candidates possessing an MBA qualification need not apply.

Please send full CV to:

Kathryn Williams  
The Mitsui Trust & Banking Co., Ltd  
Fifth Floor, 6 Broadgate  
London EC2M 2TB

Closing date for applications: Friday 30 September 1994

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This is a high profile role which has responsibility for communicating the complexity of the Bloomberg and its capabilities to existing and potential users in the UK and Europe. You will also play an active role in advising on enhancements and development often in liaison with our New York office. Candidates must have at least 5 years experience in the markets and in-depth understanding of financial instruments such as EQUITIES or FIXED INCOME. Communication is a key element of the role and you must be comfortable in presentation situations. Candidates should be willing to travel and fluency in European languages would be of interest.

## Account Managers

You will provide quality service, support and relationship management to Bloomberg users in London and Europe.

With 2-5 years experience in a related area you must have a good understanding of instruments such as fixed income, equities or futures and options. Ideally experience will have been gained in a sales, investment management or support role. Applicants who can also demonstrate fluency in a second EUROPEAN LANGUAGE or JAPANESE will be of interest. Candidates must be willing to travel.

For all positions salary is negotiable according to experience. Apply to The Freshman Consultancy during office hours on 071-721 7361 or send your CV by post or fax quoting reference FT/7794.

FRESHMAN

The Freshman Consultancy, Coppenhall House, 16 Brunel Street, London E1 7NJ  
Telephone: 071-721 7361 Facsimile: 071-721 7362



For Best Economists: Several Major Banks seek established and experienced Economists for positions in Tokyo and London. Please call Stephen Domestini.

European Equity Analysts: Various Leading Houses are seeking experienced Equity Analysts with European language skills. Ideal candidates will have 3-5 years' experience, computer fluency and excellent presentation skills. Please call Stephen Domestini.

Fixed Income Sales: Major UK Investment Bank requires bilingual Japanese/English to cover Japanese investors in Europe. The candidate should have worked in the Tokyo market and be fully conversant with financial practices in Europe. Also knowledge of private placements would be an advantage. Please call Richard Ward.

Fixed Income Sales: Top Quality Houses are seeking experienced salesmen to cover Northern Europe emphasis on Scandinavia and Germany. In some cases Visa Specialists are required. Please call Richard Ward.

Fixed Income Sales: Several top quality Houses are seeking experienced multi-product Fixed Income Salesmen to cover UK, ECU's and other institutional accounts within the UK and Channel Isles. Please call Richard Ward.

Swaps Derivatives Marketing: We presently have several opportunities within this area with top City based Houses. Applicants must have a minimum of 18 months' experience and a foreign language (German, French, Spanish) ability can be advantageous. Please call Andrew Stone.

For further details please call on 071-377 6488 or send/fax your CV to us. All applications are treated in the strictest confidence. For enquiries outside business hours call 081-364 1833.

## CAMBRIDGE APPOINTMENTS

232 Shoreditch High Street, London E1 6PL. Fax no. 071-377 0887

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### THE ROLE

- Working closely with the Lloyd's top management team to develop the fundamental strategies to position Lloyd's in future decades.
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- Drawing on the resources of key players in the Lloyd's market and developing the central planning function. Radically improving the collection and use of business information.

### THE QUALIFICATIONS

- Graduate or MBA with superior intellect and a distinguished record of developing innovative but practical strategic solutions. Probably now in a top-flight strategic consultancy or major international financial services group.
- Disciplined analyst and planner with commercial instincts and first class communication and influencing skills. Able to establish and manage effective relationships at the top level.
- Natural leader and team manager who is tough-minded and resilient. Must show stature, maturity, confidence, creativity and commitment to spearhead this major programme.

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- Recruiting, developing and leading a small, high-performing team. Establishing relationships with and working alongside senior management in brokers and underwriters.

### THE QUALIFICATIONS

- Professionally qualified graduate on a fast-track career with a leading international insurance entity. Accomplished business developer and planner.
- Ambitious, insightful and productive professional with mature interpersonal skills. Participative team leader with strong relationship building skills.
- Well-developed understanding of international markets with analytical skills of the highest order. May have geographic specialisations and language abilities. Will demonstrate a practical approach to both planning and implementation.

Please reply with full details to:

Selector Europe,  
16 Cornhill Place,  
London EC3A 3DP

Please quote reference F317709AL

Substantial Package

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BANK

Manchester

## Regional Director

Hill Samuel, one of the country's best known merchant banks, is committed to re-establishing its leading presence in the North. An experienced banking professional with real expertise in corporate banking, structured finance and corporate finance is now sought to lead and develop business in the North.

### THE ROLE

- Responsible for the Bank's corporate banking and expansion of its corporate finance activity in the region.
- Take the lead in establishing close and effective relationships with a broad range of corporate clients.
- As part of a young team committed to rebuilding the Bank's business and reputation nationally. Expected to be at Assistant Director level but the successful candidate could progress quickly to the main board.

### THE QUALIFICATIONS

- Likely to be in their 30s with a successful career in corporate banking leading to familiarity and involvement with corporate finance including restructurings and M&A.
- Proven ability to represent the Bank successfully at Board level including particularly Finance Director, Chief Executive and Chairman.
- Confident and self-disciplined with strong communication and negotiating skills to work independently in the region and also as an integral part of the UK team.

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Spencer Stuart

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Aldingbury Court, Garsington Road, Oxford, OX4 2DQ,  
Oxford Road, Manchester M2 3LQ

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### THE ROLE

- Managing a team of 40 responsible for controlling the risks associated with the custody operations, encompassing stock and cash reconciliations and broker confirmations.
- Developing productive relationships with senior line management, finance and operations; identifying potential problems and taking pre-emptive action.
- Creating a centre of technical excellence, motivating and developing a diverse team with a strong sense of cohesion and team identity.

### THE QUALIFICATIONS

- Mature qualified accountant with custodial managerial or securities industry experience. Sound grasp of technology and experience in high volume operations environment.
- Strong leader with the stature and credibility to influence senior line managers and experience in refocusing and motivating an infrastructure support team.
- Perceptive problem solver with an eye for detail with project skills capable of prioritising tasks and working to deadlines.

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London 071 493 1238  
Manchester 061 499 1700

Selector Europe  
Spencer Stuart

Please reply with full details to:  
Selector Europe, Ref: F317709AL,  
16 Cornhill Place,  
London EC3A 3DP

## TD THE TORONTO-DOMINION BANK Corporate Banking

The Toronto-Dominion Bank is a highly-rated Canadian Bank with a well established presence in London and other major financial centres. As a result of expanding Corporate Banking activities in the London Office, the Bank is actively recruiting for the following challenging opportunities:

### Utilities/Project Finance – Senior Relationship Manager

To significantly enhance the Bank's position in the Project Finance/Utilities sector, the Bank seeks a senior relationship manager to assist in the development of its business. The incumbent will be responsible for originating project financing opportunities with major U.K. and European clients, primarily in the electricity and forestry industries and managing such client relationships.

The successful candidate will be a graduate and have already enjoyed success in marketing, originating and structuring deals with a progressive financial institution. The Bank requires a well educated, credit trained, highly motivated individual with strong marketing and relationship skills, to join a dynamic, team-oriented environment.

Both these positions represent significant career opportunities for the right candidates. Salaries will be dependent upon qualifications and experience and the total remuneration packages will be highly competitive.

Interested candidates should contact Niall Macnaughton at BBM Selection on 071-248 3653 or write, sending a detailed Curriculum Vitae to the address below. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

BBM  
SELECTION

Tel: 071-248 3653 Fax: 071-248 2814

### Media/Communications – Associate

The Bank has established a reputation as a market leader in arranging, structuring and providing finance for the media and communications industries. To build on this success, the Bank seeks an articulate, motivated individual with a finance background to join its Communications Finance Group as an associate.

The successful candidate should ideally be a newly qualified accountant or a graduate with at least two years corporate credit experience with a bank or financial institution. PC literacy would be considered a distinct advantage. Experience within the media/communications industry whilst beneficial would not constitute a pre-requisite.

## Property Finance

Barclays de Zotte Wedd (BZW) is a leading European based investment bank which operates internationally. The London based Property Advisory Group, a joint venture between BZW Corporate Finance and Property Investment Management, is seeking a senior-level addition to its team.

The Property Advisory Group was established 18 months ago and is now a leading adviser on debt and equity capital financings and other property-based advisory transactions to property companies, property owning companies and UK and overseas investors.

The role envisaged will suit high calibre candidates who can demonstrate strong business development skills and knowledge of the property investment and financing sector. Applicants must have proven transactional experience and are likely to be in their 30s with a property investment banking or legal background. Since the Property Advisory Group's business extends to other major European markets, language skills would be an advantage.

The remuneration package will be commensurate with the seniority of the position and will include banking benefits and a discretionary bonus related to performance.

To apply, please write with full career details to: Ann Mckenzie, Director, Human Resources, Barclays de Zotte Wedd Asset Management, Seal House, 1 Swan Lane, London EC4R 3UD.

BZ

## FIXED INCOME SALES

City

£ Highly Competitive Package

Harrison Willis City has been retained to work on behalf of the securities arm of a major international bank to recruit experienced fixed income salespeople. This is part of a continuing expansion plan.

The successful candidate will be responsible for the distribution of a range of fixed income products, mainly government and eurobonds, to retail and institutional investors in the UK and Europe. Ideally the candidate will be able to demonstrate a successful track record of developing profitable client relationships, probably gained with a leading investment bank/securities house.

The ability to fully understand client requirements is vital, as well as the ability to communicate effectively within a small but highly motivated team. There is the opportunity to make a significant impact on a key area of our client's business, the importance of which will

be fully reflected in the very competitive remuneration package available.

Candidates who feel they have the right background and who would like to find out more should contact, in complete confidence, David Page or Jonathan Cohen on 071-629 4463, or write, enclosing a detailed CV, to Cardinal House, 39-40 Albemarle Street, London W1X 3FD. (Fax: 071-491 4705)

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## UNIT TRUST FUND MANAGER Director Designate

Northern England

c £50,000 + bonuses

Our client, a nationally based firm of stockbrokers has recently launched two UK unit trusts. This opens up the opportunity to recruit an experienced fund manager with a track record and proven marketing ability. The bias is towards UK equities.

Candidates must have experience of UK equities including the smaller companies market, quantitative analysis techniques, investment product development, and, of selling concepts and research to colleagues. Computer literacy is important. Age range is 30 to 40.

The position carries good career

prospects. The Fund Manager will be expected to take over the direction of the Unit Trust Company within a year of appointment including its commercial development. Salary is negotiable with a profits related bonus and an opportunity for equity participation in due course. Relocation assistance may be available.

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Please telephone or write  
(quoting reference no. 836)  
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## London STOCK EXCHANGE

### International Market Development

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City

Exciting opportunity for talented executive to join a high calibre specialist team leading research and product development for the London Stock Exchange.

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- ◆ The leading international stock exchange. Rapidly changing under new leadership to maintain dominant role.
- ◆ Expanding development division needs to add additional strength to international team.
- ◆ Continuous contact with leading players and regulators in securities markets in UK and overseas.

#### THE POSITION

- ◆ Research and recommend new ideas on issues relating especially to new international business.
- ◆ Take responsibility for specific projects from origination to delivery. Work independently in small, flexible team.

- ◆ Influence change in markets' structure, products and practices through wide range of industry contacts.

#### QUALIFICATIONS

- ◆ Between 2 and 7 years experience. Securities industry/consulting background preferred.
- ◆ Highly developed strategic, analytical and communications skills. Fascination with changing markets. Team player. International outlook.
- ◆ Work to highest presentation standards. Creative, rigorous, persuasive, consultative.

Please send full cv, stating salary, ref IBM3985, to NBS, 10 Arthur Street, London EC4R 9AY



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ASSET MANAGEMENT

## Fund Manager

### US Equities

City

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Exceptional opportunity for a talented young professional to join a successful US investment team within a fast growing international investment management house.

#### THE ROLE

- ◆ Member of a team of six, managing portfolios of Fortune 500 stocks.
- ◆ Work closely with senior Investment Manager. Research and select stocks with significant growth potential.
- ◆ Lead and/or participate in company meetings. Develop relationships at highest level with US corporates.

#### QUALIFICATIONS

- ◆ Graduate with at least three years investment experience. Must have spent minimum 1 year focusing on US market.
- ◆ Outstanding analytical skills, rigorous and highly numerate. Excellent communicator.
- ◆ Self-motivated, mature, ambitious, incisive, confident team player.

Please send full cv, stating salary, ref CN3677, to NBS, 10 Arthur Street, London, EC4R 9AY



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## ESN PENSION MANAGEMENT GROUP LTD

## INVESTMENT MANAGEMENT

ESN Pension Management Group Ltd is a major investment management house responsible for managing pension fund assets in excess of £13 billion. This is principally on behalf of the Electricity Supply Pension Scheme, which is an umbrella organisation covering 21 pension plans arising out of the formerly nationalised electricity supply industry.

#### FUND MANAGER - UK EQUITIES

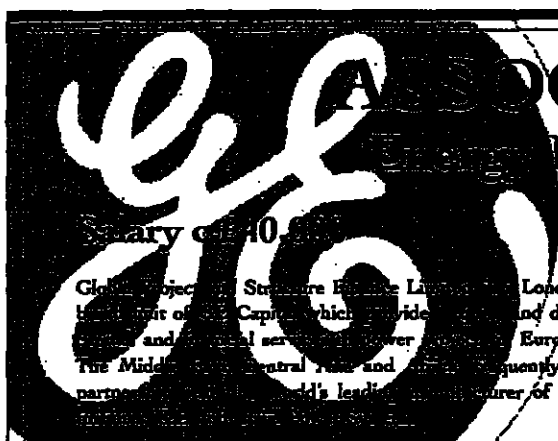
You will be responsible for a range of market sectors and will be expected to make and implement well-considered investment recommendations. A graduate, preferably with an appropriate professional qualification and ideally with some interest in quantitative techniques, you will possess several years relevant fund management and analytical experience gained within the investment industry.

#### FUND MANAGER - PACIFIC BASIN

Your primary responsibility will be to assist the Senior Fund Manager in the management of the Japanese portfolio, although knowledge of other Asian markets would be an advantage. The role will involve maintaining contact with brokers and analysts, making investment recommendations and implementing agreed policy. A graduate, preferably with a professional qualification you are likely to have at least two years relevant experience in fund management.

A competitive remuneration package together with an incentivisation plan will apply to both positions.

If you have proven competence in the appropriate markets, strong communication and interpersonal skills, and are interested in joining a progressive and an aggressively ambitious team please write, enclosing a comprehensive CV and details of present salary to, Alan MacLeod, Personnel Manager, ESN Pension Management Group Ltd, 110 Buckingham Palace Road, London SW1W 9SL.



## ASSOCIATES IN Project Finance

London

Global Project Finance Associates Limited is a leading international project finance advisory firm. We are currently seeking experienced project finance professionals to join our London office. The successful candidate will be responsible for providing advice and support to our clients in the project finance sector. The role involves a high level of client contact and a high level of participation in the investment approval process.

Our team is made up of experienced project finance professionals who provide a high level of service to our clients. We are looking for people who can demonstrate to us a maturity of approach, an independent mind and a willingness to take on a significant amount of direct contact with clients and other parties involved in the project and a high level of participation in the investment approval process.

We are, therefore, looking for people who can demonstrate to us a maturity of approach, an independent mind and a willingness to take on a significant amount of direct contact with clients and other parties involved in the project and a high level of participation in the investment approval process.



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## Credit Analysis

... in the fixed income market

Our client, a leading merchant banking group, has a strong presence in the fixed income markets. To complement the existing Sterling Bond Team the Bank seeks an experienced credit analyst.

The successful candidate will be required to provide credit-driven analysis to support the sales and trading teams. The work will also involve direct contact with clients and the production of written research.

The ideal candidate will have received formal credit training and exposure to the bond markets. A professional accountancy qualification would be advantageous but is not a prerequisite. More important will be the

ability to provide creative input to the assessment of factors affecting the credit strengths or weakness of specific bond issues.

This will require strong communication skills, an analytical mind and the confidence to deal effectively with both colleagues on the trading floor and major institutional investors. The successful candidate will be a key member of the fixed income group and career development opportunities either in the Sterling Team, or elsewhere in the group, will therefore be outstanding.

The package for this post includes a very competitive basic salary, the full range of banking benefits and a performance related bonus.

If you are looking for a move away from a traditional credit function to a more energetic environment, then write, including a full Curriculum Vitae, to Niall Macnaughton at BBM Selection, 76 Watling Street, London EC4M 9BJ. Alternatively use our confidential fax line.

76, Watling Street,  
London EC4M 9BJ



Tel: 071-248 3653  
Fax: 071-248 2814

## INSTITUTIONAL FUND MANAGEMENT



Singer & Friedlander  
Investment Management  
Limited  
A member of IMRO

Singer & Friedlander Investment Management Limited is looking to expand its overseas institutional investment capabilities.

As a result a new opportunity now exists in the Far Eastern team to concentrate primarily upon the analysis of Japanese equities.

Interested Candidates should be educated to degree standard and preferably possess an accounting qualification.

Remuneration is negotiable. Interested candidates should apply in the first instance, in writing to:

The Personnel Director,  
Singer & Friedlander Investment Management Limited,  
21 New Street,  
Bishopsgate,  
London EC2M 4HR

Proprietary Analytical Trading Department of Credit Suisse in Zurich is seeking experienced traders in bond, interest rate and FX

## Derivative Traders

Candidates for senior positions must have a broad practical knowledge of bond, interest rate or FX derivative products and proven trading track record with at least two to three years' experience in running sizeable derivatives books. Their principal duties will include the formulation of trading strategies and the day-to-day management of large trading books. All candidates must have a quantitatively oriented background and the ability to exploit the latest arbitrage trading concepts and modern IT systems.

Successful candidates are likely to be innovative and highly motivated team-players with good interpersonal skills. Familiarity with European markets and the ability to communicate in German, French or other major European languages, while not required, would be a definite advantage. The working language of the trading unit is English.

All proprietary traders are supported by an existing international team of high-calibre financial analysts and IT specialists, and the Bank's market-making, research and sales forces.

A competitive performance-based remuneration will be offered, reflecting the experience and high calibre of the traders the Bank wishes to employ for these demanding positions.

Please send your resume or call:  
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Personnel Department  
CH-8070 Zurich, Switzerland  
Tel: 41-1-333 61 34  
Fax: 41-1-333 30 22

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#### ACCOUNT OFFICER - TRADE FINANCE

The City Office of a leading International Bank seeks an Account Officer to market trade finance and other banking products.

The ideal candidate would be one with 2/3 years direct experience of marketing to contracting and equipment manufacturing companies involved in international markets. A graduate would be preferred and the anticipated age range is late 20s/early 30s.

An attractive package, including banking benefits, is available to the successful candidate.

Please reply in confidence with salary details and a copy of CV, by 28 September 1994, to Box A2150, Financial Times, One Southwark Bridge, London SE1 9HL

#### EXPERIENCED TURKISH EQUITY SALESMAN

Experienced Turkish Equity Salesman required to join a newly created Emerging Markets Team in one of the City's leading European banking houses. The candidate will report directly to the Head of the Emerging Markets team and will form part of an existing Turkish team. Candidates must:

- have at least two years' experience in selling Turkish equities to international institutional clients and developed analytical skills within the Turkish financial sector;
- be fluent in English and Turkish and speak at least conversational French;
- have a sound academic background with preferably a finance and/or business degree.

This is a senior position and will be rewarded accordingly. Interested parties should write enclosing a CV to Box A2146, Financial Times, One Southwark Bridge, London SE1 9HL



## HEAD OF COMPLIANCE

CITY

c. £65,000 + Benefits

Our client is one of the leading UK investment management groups with very substantial funds under management. As a direct result of their consistent growth and ambitious plans for global expansion, they have identified the need for an experienced compliance expert to manage their UK compliance team and supervise their compliance operations abroad.

The role will report to the Group Company Secretary and will be responsible for monitoring and controlling the Group's compliance function. The incumbent will play a key role within the company and will be expected to acquire a full understanding of the business and to work closely with senior management. He/She will be responsible for the Group's adherence to best practice as regulations and legislation change.

Ideally, candidates will be aged between 30 and 45, although maturity and relevant experience of compliance within an investment management house is more important than age. Candidates are likely to be graduates and will have to demonstrate proven management skills, and possess the drive and ability to progress in line with the anticipated growth of the Group.

Remuneration and career prospects are excellent for the ambitious candidate who can demonstrate genuine commitment to the Group's growth both in the UK and globally. Interested candidates should send their curriculum vitae, including daytime telephone number and present remuneration package to Carol Jardine, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB, quoting WS/14/2.



WHITNEY  
SELECTION

## HEAD OF PROJECT FINANCE

HONG KONG

Highly Competitive Package

Our client, one of the foremost international investment banks, is seeking a senior Project Finance Director to lead and continue to develop its Far East project finance advisory team.

The bank has advised on many projects in the region, and now is looking to refocus and expand its project finance business from its regional base in Hong Kong.

The Director will be highly motivated with a proven track record of business development and transaction execution in the Far East and South East Asia. A regional language would be beneficial, but is not essential.

Ideally aged between 35 and 45, candidates will be operating at Director level within the region. They should be able to demonstrate strong man management skills, as the successful candidate will be offered the challenge of building and developing a team in this rapidly developing market.

Interviews will be arranged at suitable geographical locations for appropriate candidates.

Interested candidates should send their curriculum vitae, including current remuneration package and daytime telephone number to Carol Jardine, Managing Director, Whitney Selection, 17 Buckingham Gate, London SW1E 6LB or fax 071 233 9334, quoting reference number WS/08/1.



WHITNEY  
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## Ulster Bank Group Treasury Limited

A member of the National Westminster Bank Group

Ulster Bank Group Treasury is a leading provider of treasury services in Ireland. Due to continued expansion of our business we have the following vacancy in Dublin:

### SENIOR FORWARD FOREIGN EXCHANGE DEALER

The ideal candidate will have at least three to four years experience of trading Forward Foreign Exchange with a proven track record. Candidates must be highly motivated, possess a strong technical background and an in-depth knowledge of related markets.

The position will provide the successful candidate with excellent career prospects in a challenging environment. Salary and fringe benefits will be attractive and consistent with the remuneration policy of a leading treasury operation.

Applicants should forward a detailed Curriculum Vitae, by 23rd September 1994, in strict confidence to:

Ms Brenda Dooley,  
Personnel Manager,  
Ulster Bank Group Treasury Limited,  
I.F.S.C. House,  
International Financial Services Centre,  
Dublin 1.

## DERIVATIVES

We are currently working on behalf of several prestigious US and European Banks, based in London, New York and Hong Kong, whose clients face an ever increasing need to lower the cost of raising capital, manage risk and enhance asset returns. In response to these requirements our clients have authorised major commitments to enhance their capabilities in the Global Derivative products market and in particular:

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- Fixed Income • Currency • Equity •

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For further information in complete confidence please call or write to Jonathan Clark or Ann Williams.

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EC2M 2JH

## US DOLLAR PRODUCTS MANAGER

US Dollar Products Manager for European brand of New York based international securities firm. Candidate should have at least 3 years work experience in both NY and Europe, with written and spoken fluency in English, French and Spanish at a minimum.

Product knowledge should encompass government securities, asset swaps, repurchase agreements, mortgage backed securities, corporate bonds. Candidate will have experience in account management, personnel management and a history of interfacing with overseas offices. Some Travel.

Salary circa £80,000 plus production based bonus.

Please send CV in strictest confidence to  
Box A2146, Financial Times,  
One Southwark Bridge, London SE1 9HL

## PORTFOLIO ADMINISTRATOR

Required for IFSC Co. in Dublin. Minimum 8 years experience in Unit Trust/Registration/Valuation. Preference for experience in Asian and Latin American markets.

Contact:  
MERO Partners  
Tel: 053-1-283 0144  
Fax: 053-1-283 0550



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## STOCKBROKERS

Established Provincial Stockbroker invites discussion with U.K. Investment Managers/Stockbrokers with own client base, wishing to establish more attractive split commission relationship together with basic salary. Choice of location may be available. Please reply in confidence to Box A2153, Financial Times, One Southwark Bridge, London SE1 9HL.

## STOCKMARKET

Young, dynamic City based company requires 4 FIMSA or CFA qualified individuals to service our existing client base of private investors. Dealing solely in UK equities. If you are between 25-35 years old, with 3-5 years experience, enthusiastic and enjoy a hard working environment, call 071-402 3212, Ref 716. For an informal discussion. Training positions also available.

Emerging Market Specialist seeks Equity Salespeople/Equity Fixed Income Traders and Analysts covering the region of Latin America, Asia or Eastern Europe. Compensation will be commensurate with experience.

For details to:  
CRYSTAL WALKER  
at 0203-212-943-2131

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Two Foreign Exchange/Financial Futures positions in the London branch of a large US regional bank.

### FOREIGN EXCHANGE AND FINANCIAL FUTURES TRADER/MANAGER

Suitable applicants will meet the following criteria:

- ◆ Knowledge of all interbank and financial futures markets
- ◆ Exceptional money management skills and risk control
- ◆ Direct experience in technical analysis of currency and interest rate markets
- ◆ Minimum of 5 years of trading experience

The selected applicant will report directly to the Manager of International Treasury based in the US and will receive an excellent salary and bonus package.

### FOREIGN EXCHANGE AND FINANCIAL FUTURES TRADER

Suitable applicants will meet the following criteria:

- ◆ Broad knowledge of interbank and futures markets
- ◆ Background in use of technical analysis
- ◆ Minimum of 3 years trading experience.

The selected applicant will receive an excellent salary and bonus package.

Interested individuals should forward a CV/Resume and cover letter to:

Box No. A2147, The Financial Times,  
One Southwark Bridge, London SE1 9HL.



## The European Patent Office in Munich

wishes to recruit a

### Portfolio Manager for its Pension Reserve Fund

The EPO is an international organisation with headquarters in Munich, Germany. In 1984 it set up a Pension Reserve Fund, largely managed internally. Within the small team of the Fund Administration, a new position has been created to take part in the management of the internal portfolio and in the reporting on the Fund's activities.

**Requirements** University diploma (or equivalent professional experience) and several years of experience in institutional fund management. Specific knowledge of global fixed income markets, familiarity with derivative products and proficiency in financial mathematics. Excellent knowledge of at least one of the working languages of the Office (English, German and French), together with an ability to understand the other two.

**Conditions** We offer a competitive salary, free from national income tax, comparable to those offered by other international organisations and a comprehensive package of social benefits (health insurance, pension contribution, relocation support, etc.). Recruitment will be for an initial period of five years.

**Application** Applications, on forms obtainable from the EPO and quoting reference EXT/645, should be addressed to European Patent Office, Directorate Personnel, Erhardtstrasse 27, D-80298 Munich, Tel.: (89) 2399 4318, and must be returned completed by 17 October 1994.



## Equity Funds Management Opportunity

- South East Asian Equities
- Based in Sydney, Australia

Bankers Trust Australia is not only Australia's leading investment bank, it is also one of the world's most respected funds management groups with over A\$25 billion under active management globally. This role represents an exceptional opportunity and may suit Australian nationals who are ready to return to Australia permanently or managers of international equities who wish to practise their craft from Sydney.

Drawing on your in-depth experience in portfolio management, your analysis of industries and companies will be applied to the management of part of BT equity portfolios. You will be accountable for stock selection and contribute to country economic and equity market forecasts. You will interact with the whole of the international group in a strong team environment.

Your background will probably include at least 2 years' experience in company/industry analysis involving South East Asian markets, probably gained in funds management but other market experience will not be excluded. This will be supported by a solid knowledge of company accounts and superior tertiary qualifications in an analytical discipline. Joining BT's performance-focused team, you may anticipate excellent rewards.

To make an application for this excellent opportunity please forward your curriculum vitae with supporting documentation to: Jeannema Behrens, Executive Recruitment Manager, Bankers Trust Australia Limited, PO Box H4, Australia Square, Sydney NSW 2000, Australia.

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plays a key role in the regulation of the City. Our 1300 Member Firms cover all of the primary and secondary markets in the UK, including securities, futures, options, commodities, OTC products and corporate finance. Our membership spans the whole spectrum of Firms from the largest multi-product houses to one-man corporate finance boutiques.

SFA's Surveillance Division has recently undergone significant restructuring. The intention has been to create an environment which is more able to meet the demands of the complex markets we oversee and to ensure that we discharge our regulatory responsibilities to the highest standards. Specialist teams have been created which seek to deliver a form of regulation which maximises our effectiveness and secures the continuing respect both of our members and their clients and counterparties.

Against this background we are now looking for a number of professionals to join the Surveillance Division,

#### THE SECURITIES AND FUTURES AUTHORITY

their primary role being to ensure high standards of investor protection and market integrity. This involves undertaking monitoring visits, reviewing periodic financial information, assisting with disciplinary investigations and advising generally on compliance issues.

#### SURVEILLANCE INSPECTORS TO £35K

Applicants should have a good understanding of a wide range of financial instruments and have direct relevant industry experience perhaps gained in an SFA Member Firm.

Consideration will also be given to qualified Accountants or Lawyers with appropriate experience and mature candidates with broad market exposure who wish to pursue a career in regulation.

In addition to your professional skills, you must have sound judgement, an enquiring mind and well developed communication skills.

If you recognise the value of financial services regulation and feel you have a contribution to make, we would like to hear from you.

Successful candidates will receive a salary based upon the relevance of their previous experience and will be eligible for a comprehensive benefits package.

To apply, please write with full career details stating your current salary to: Veronica Sherry, Recruitment and Employment Manager, The Securities and Futures Authority Limited, Cottons Centre, Cottons Lane, London SE1 2QB.

Closing date for applications: Friday 23 September 1994.

#### GLOBAL INVESTOR RELATIONS & FINANCIAL INFORMATION COMPANY

##### Head of Sales & Business Development - Europe

Competitive package

London Based

We are a leading and successful investor relations and financial data company, with global operations serving an extensive international client base.

We are now looking for a Director of Accounts & Business Development to head our team of UK and Continental European Account Managers. The position entails responsibility for planning, monitoring and strategic direction as well as maximising existing markets and identifying new ones.

The successful applicant for this role will have:

- ◆ Developed sales management and team building skills
- ◆ A good working knowledge of the financial markets
- ◆ The ability to present new ideas and concepts at board level
- ◆ The flexibility to lead a multi-national team
- ◆ The energy and enthusiasm to expand our business

Please send your CV to:

Box A2145, Financial Times,  
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#### A NEW CAREER OPPORTUNITY

##### Prestigious Leisure Business

The leading international yacht services company focused primarily on charter yacht sales and charter, with offices in Europe, the U.S. and the Middle East is looking for quality sales staff. Previous experience in the yachting industry is not essential but a knowledge of yachts would be an advantage.

The industry language is English but a working knowledge of a second European language would be useful. Remuneration is a basic salary + commission. The top salesmen in the company currently earn in excess of \$400,000 per annum.

Interviews will be held in October in Europe and the United States. Applicants should reply in writing with a detailed Curriculum Vitae with particular reference to their sailing/yachting experience.

Write to Box A2152, Financial Times, One Southwark Bridge, London SE1 9HL.

#### INVESTMENT RESEARCH

Hoare Govett, one of the City's leading stockbrokers and part of the ABN-AMRO European broking network, seeks an analyst to join its experienced team covering the Smaller Companies Sector.

The ideal candidate will combine knowledge of the Smaller Companies Sector with strong numerate and communication skills (oral and written) and the ability to originate innovative investment ideas. Candidates with other relevant experience will be equally welcomed.

The successful candidate will be offered an attractive remuneration package.

All replies will be treated in the strictest confidence.

Please write, enclosing a full CV to:

Christopher Theis,  
Head of UK Smaller Companies,  
Hoare Govett Limited, 4 Broadgate,  
London EC2M 7LE



#### STEPHENS opening in TOKYO

Stephens Consultancies are pleased to announce the opening of their office in Tokyo under the local management of Derek Rock. STEPHENS ASSOCIATES (JAPAN) is now handling domestic assignments to find high calibre individuals for clients in Japan whilst working as part of our international search team for clients hiring in the UK, Europe, North America and the Far East. Our address in Tokyo is:

STEPHENS ASSOCIATES (JAPAN) K.K.

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Please apply in writing together with CV to:  
Treasury Manager, Bavaria House  
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#### APPOINTMENTS WANTED

##### CORPORATE COMMUNICATIONS OR ADVISORY ROLE SOUGHT

- MBA (Marketing) aged 34.
- Wide ranging experience senior administrative and management experience in the public sector.
- Working knowledge of the hotel, catering & conference industry; construction industry; legal profession.
- Active interest in HR/HRD; not open to public relations.
- London based.

Please contact Box A2149, Financial Times,  
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## ACCOUNTANCY COLUMN

## First, last and the more things change

Andrew Jack reflects on worrying trends in the profession in the 1990s

The contents of the first article and the first column I wrote on becoming accountancy correspondent could hardly have been more appropriate. They have set the tone well for the period up to my departure nearly three years later.

The article concerned a change to professional ethical rules dictating who could call themselves "chartered accountants". Firms would be able to retain the title even if only three-quarters of their partners were in fact members of one of the chartered institutes.

The column dealt with Chancery Bank, one of the more ambitious attempts to effect a corporate rescue using administration, the procedure created by the 1986 insolvency act.

These two broad themes – the commercialisation of the profession and the varied and painful effects of the prolonged recession – came to dominate accountancy in the early 1990s.

Within the next few days, Price Waterhouse laid off 150 staff in its management consultancy division, financial salaries dipped to their lowest levels in eight years, and one of the leading professional indemnity insurance underwriters warned of a sharp growth in litigation against accountants. The firms continued to create new and ever more bizarre specialist units offering services with barely a passing resemblance to accountancy. Other ethical rule changes (often meekly following in the wake of practices already under way) permitted practices such as cold-calling and contingency fees.

Changes to the law requiring disclosure of the non-audit income generated from audit clients to any company revealed the enormous extent of consulting work carried out. On other issues, the accountancy firms have steadfastly refused to provide meaningful financial information about themselves.

Nowhere was the intersection of insolvency and commercialism more powerfully illustrated than with the emergence of "low-balling", with firms eagerly slashing their fees to retain clients or win them from competitors. It helped delay redundancies, but at what cost to the longer-term quality of the audit or the reputation of the firms?

In short, nothing changes in the trends. Or where it does, it has generally been for the worse: whether for the profession, the accountancy firms, or for the preparers and the users of companies' accounts.

While insolvency may have caused more obvious and immediate pain, growing commercialism arguably threatens to inflict greater long-term damage to any attempt by accountants to continue to call themselves members of a profession rather than simply another business.

Yet, as an analyst listening to the tales of the disturbed accountant sitting on the consulting couch might put it, the profession went into heavy denial. Expectation gaps, calls for proof to justify the slightest criticism (when the firms refuse to reveal the data on which any analysis could be based), and the introduction of some tokenistic new rules all seemed easier

ripostes than facing up to the real problems.

It is easy for auditors to cry foul: to say that they are only sued because they have "deep pockets", that the public is ignorant of their role and limitations, that company directors are the ones responsible for preparing accounts.

Yet by law shareholders appoint the auditors with the single purpose of providing a reasonable assurance that the accounts show a true and fair view. The firms' staple product of the

## Commercialism and the painful effects of the recession have come to dominate accountancy.

audit report has been understandably discredited by the experience of the last few years.

A quick glance around the morgue of corporate carcasses shows that many companies collapsed with no warning signs from auditors examining their health just a few months before. An examination of the working papers after the event shows that the auditor was very often aware of many of the signs of impending doom – but said nothing publicly.

By treating the symptoms, accountants have been able to demonstrate some apparent progress of late. The Accounting Standards Board has got off to a good start by introducing tough new rules which appear to close many of

the more malleable ones of old.

The Financial Reporting Review Panel has begun flexing its muscles, generating a climate of reform – through fear among finance directors, and probably at least as importantly among auditors, a number of whom have soon after ceased acting for reprimanded clients.

But all this activity does nothing to affect the underlying cause of the financial reporting malaise. The climate may have temporarily swung against the mood of the late 1980s, and the absence of economic growth may have militated until now against aggressive financial transactions.

However, the relationship between auditors and their clients remains unchanged. If the mood changes again, there is little that either the review panel or the accounting standards board can do to influence the private discussions that are only partially reflected in published accounts.

The fundamental tension is how can an auditor, effectively hired, fired, paid by and reporting to executive management, act objectively and sometimes against its interests? As one senior accountant put it recently: "It's like leaving the rabbits in charge of the lettuce".

This argument does not simply apply to audit fees. Accountants know full well that they are in a bind when it comes to the range of work they are willing to undertake for companies. Conflicts of interest seem rarely to feature. Show a conflict to lawyers and they normally quickly withdraw.

Accountants, by contrast, sweep aside objections by blithely claiming

in the same breath both the importance of "synergy" from existing experience, and yet simultaneously an easy ability to "manage" any such tensions and prevent conflicts arising.

These tensions are rarely acknowledged within the profession. When I suggested over a lunch a few months ago to a senior partner of a "Big Six" firm that they might present problems, he gave a single-word reply – unprintable but unmistakably negative.

There has at least now been some progress, with the recognition of the issue in both the discussions of the Auditing Practices Board and a document from the Institute of Chartered Accountants of Scotland within the last two years. Yet there has been little sign of any recommendations to develop the points.

If the accountancy profession has generally been complacent, it has been aided in its apathy by a lack of interest by others who should be paying it greater attention: not least government and users of accounts. Yet they have remained conspicuously silent on most issues, content to let accountants get on with their lives without much interference.

I can point to some stimulating debates and some delightful friendships developed with accountants over the last three years. On the future of their profession and the degree to which it has recognised its problems and attempted improvements, I am rather less able to be positive.

Andrew Jack is moving to France as one of the FT's Paris correspondents.

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Applicants must be graduates, fluent in Spanish and English, with a high grade business degree, MBA or ACA qualification. A team player is essential who possesses strong commercial instincts, well developed analytical skills, the ability to think creatively and to present to an exceptional standard. Age guideline early 30's.

Please reply in confidence quoting Ref L570 to:

Brian H. Mason,  
Mason & Nurse Associates,  
1 Lancaster Place, Strand,  
London WC2E 7EB.  
Tel: 071-240 7805.

**Mason  
& Nurse**  
Selection and Search

Global  
Merchant Bank  
Head of Internal  
Audit

City

c£50,000-£60,000  
+ Benefits

**VAP**

Our client is a highly successful international merchant bank which offers a range of activities, including full trading and advisory services. Driven by an experienced management team, the bank is renowned for its innovative approach to new product development and for providing a value added service to a wide range of corporate clients.

An opportunity exists to strengthen the management team with the appointment of a Head of Internal Audit. Reporting to a main Board Director, the role offers a high degree of autonomy. Leading a team of qualified accountants, the appointee will immediately assume overall responsibility for the planning, review and implementation of financial and operational controls world wide, covering all aspects of the bank's activities. The successful candidate will also handle a variety of ad hoc assignments.

This opportunity will appeal to a Chartered Accountant with a minimum of seven years post-qualification experience, currently working within a merchant bank or securities house. Strong interpersonal skills, IT literacy and an in-depth understanding of capital markets and other financial products are essential. A knowledge of complex structured instruments would be of particular interest as would some experience of UK, US and European regulatory requirements.

Interested applicants should write, in the strictest confidence to Paul Marsden or Brian Hamill, at the address below quoting reference PM264.

**WALKER HAMILL**  
Executive Selection

29-30 Kingly Street  
London W1R 5LB  
Tel: 071 287 6285  
Fax: 071 287 6270

**Financial Controller**

City

c £60,000 + Excellent package

Our client, the London based operations of a AAA rated global bank, is a market leader in a broad range of investment and wholesale banking activities, ranging from securities and derivatives trading to corporate and private banking.

Critical to the success of these businesses is the provision of cost effective IT, premises and other central support services.

The purpose of this appointment is to establish a small unit which will ensure these service providers are adequately controlling their significant expenditure budgets, whilst remaining responsive to the dynamics of the increasingly complex business environment.

Reporting to the Finance Director, responsibilities include improving communication and understanding between business units and cost centre managers, coordinating activities and

enhancing the quality of information flows, planning, reporting and control procedures.

We seek an experienced, self motivated, IT literate, qualified accountant with excellent analytical, negotiating and influencing skills, together with a highly developed commercial awareness.

Candidates aged less than 35 are unlikely to have the depth of experience required for this position. Proven ability to initiate and manage change, deliver projects to tight deadlines and improve performance within a demanding, fast moving service environment will be essential.

Interested applicants should forward a comprehensive CV, quoting reference 202553 to Diane Forrester ACA or Stephanie Warren, Executive Selection Division, Michael Page Finance, 39-41 Parker Street, London WC2B 5LH.

**MP****Michael Page Finance**

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Resourcing

## Financial Director

SOUTH EAST

c \$75,000 + BENEFITS + OPTIONS

For a dynamic and rapidly expanding retail group. This fully listed Plc employing assets of over £100 million anticipates continued fast growth and seeks an experienced financial manager to join a young and highly motivated group management team.

Reporting to and working closely with the Chief Executive, you will have total responsibility for the finance function and for managing the head office based accounting team. Initial emphasis will be on building appropriate systems to cope with the rate of growth and on providing the board and management with key financial and management information. There will be considerable scope for the right candidate to make a significant commercial contribution and the job will involve a high profile with City institutions and Banks.

The role is likely to suit a qualified accountant in his or her thirties who is seeking their first Plc financial directorship. With

strong financial and management accounting skills and experience gained in a blue chip environment, you should combine a hands-on approach with the ability to contribute at the strategic level. Ideally, you will have experience both of operating and Group level. Strongly commercial and results orientated, you will be enthusiastic, intelligent and a team player with first class verbal and written communication skills. Preference will be given to those with experience in a sophisticated retail environment. A knowledge of project accounting and/or property based business would be an added advantage.

Please send full personal and career details, including current remuneration and daytime telephone number, in confidence to: Torrance Smith, Coopers & Lybrand Executive Resourcing Ltd., 1 Embankment Place, London WC2N 6NN, quoting reference TS1038 on both envelope and letter.

## A major new challenge in computer audit.

City | c.£40,000 + car + benefits

LIFFE is Europe's leading marketplace for the trading of financial futures and options. With a world-leading product range generating record volumes of business, we continue to expand rapidly.

Our Internal Audit function is responsible for reviewing the total spectrum of operational activities and systems at LIFFE. To support the function's continuing development, we are looking for a high-calibre individual - ideally ACA or CICA qualified - with at least three years' experience of leading computer audit assignments.

Here you will play the lead role in auditing computer systems, both live and under development, in a state-of-the-art technical environment providing

crucial support for every aspect of our operations. Reporting to the Head of Internal Audit Services, you will review the efficacy of internal controls and work closely with line management to introduce appropriate improvements. You will also contribute to the audit planning process and the wider development of this fast-growing function.

This is essentially a hands-on role, calling for excellent interpersonal skills and broad business understanding in addition to well-practised technical skills. A collaborative, value-adding approach to audit issues is encouraged, so you must combine natural diplomacy with the drive to make things happen. Your experience should have been gained in the financial sector, and will

ideally have included audits of live and developing systems as well as installation reviews. Knowledge of prototyping and exposure to UNIX and/or VAX environments would be distinct advantages.

Salary will be backed by competitive benefits, and there are good prospects for further development within our rapid-growth environment. To apply, please send your full CV to Charles Crookall, Personnel & Training Manager, LIFFE, Cannon Bridge, London EC4R 3DX.

LIFFE

The London International Financial  
Futures and Options ExchangeDirector of Finance  
and Administration

London

c.£50,000 and benefits

■ The National Farmers Union is one of the largest and most renowned industry associations in Britain with a total staff of over 800.

■ A powerful and professional lobby on behalf of British agriculture and horticulture in the UK and in the European Union, it also provides a wide range of valuable direct services to its members and is closely linked through its large field organisation with the NFU Mutual Insurance Society.

■ In order to ensure continuity and a structured handing over of responsibilities from the present Deputy General Director who is retiring next year, the NFU is seeking to appoint a new Director of Finance and Administration in early 1995. As one of three directors reporting to the Director General, the Director of Finance and Administration will ensure that the finance, IT and administration functions provide a most effective contribution to the NFU's success. To fulfil this role candidates will need to be able to combine first class business skills and

to work within a democratic organisation. ■ Key requirements are the credibility to perform in a hands-on manner and the ability to manage a sizeable and complex organisation. Candidates should be qualified accountants aged c.50, already experienced in providing strong financial management and control, and capable of making a full contribution as a member of the senior management team. ■ Personal characteristics required are the ability to operate within teams, as both leader and player and to sustain interest in detail as a sound foundation to effective strategic planning. Experience in a service led business would be advantageous.

■ Please send your curriculum vitae to Suzanne Karoly quoting Reference SK 566 at Ernst & Young Corporate Resources, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 3NH.

ERNST &amp; YOUNG

## QUALIFIED ACCOUNTANTS

United Arab Emirates to £38,000 tax free + benefits

Our client, a prominent and much respected financial institution based in the United Arab Emirates, seeks to enhance further its control function by the appointment of experienced Internal Auditors.

In addition to auditing a varied investment portfolio, you will be responsible for the evaluation of the adequacy and effectiveness of compliance procedures, systems and controls.

Ideally aged 28 to 40, you will be a UK qualified ACA/ACCA and possess a minimum 4 years' relevant experience gained within the financial sector. You should be computer literate and have the necessary communication skills to work in a multinational environment and be comfortable dealing with various levels of management. Knowledge of EDP auditing will be an advantage.

In addition to a tax free salary, the comprehensive expatriate benefits package includes a renewable two year contract, furnished accommodation, educational allowances, generous annual leave with return air fares etc.

If you are interested in this challenging opportunity please send your curriculum vitae in strict confidence to Philip Wright.

7 BIRCHIN LANE LONDON EC3V 9SY Tel: 071 595 2020 Fax: 071 525 2092

International Financial Recruitment Consultants

A member of The Deacons Group Plc

Assistant  
Financial Controller

Insurance plc - Kent c. £36,000 + Benefits

Our client writes UK provincial insurance business and, following its flotation, needs to strengthen its accounts function by creating this position.

You and your team will be responsible for the production of all financial reporting and the management of the cashing and expense control functions.

You will be a chartered accountant with a hands on approach and an assertive and good humoured personality. You must have insurance experience working either in the industry or with a professional firm.

Please contact one of our consultants for an initial discussion in the strictest confidence quoting Ref: 4808 at 20 Cousin Lane, London EC6R 3TE. Tel: 071 236 7307.

STEPHENS  
SELECTIONA STEPHENS CONSULTANCY  
London New York Hong Kong Tokyo

## TREASURY ANALYST

BERKS

c.£28,000 + CAR

## THE COMPANY

- UK plc with turnover of £1 billion
- World-wide operations and strong balance sheet
- Committed to the development of employees' potential

## THE ROLE

- Broad based role with involvement in foreign exchange and interest rate risk management strategies, as well as dealing
- Responsibility for continuing PC based systems development within the department
- Part of a small professional team providing support services to main board and subsidiaries on key issues

## THE PERSON

- Graduate qualified accountant with strong academic record and successful career progression
- Corporate Treasury experience in a major multinational plc, or relevant exposure gained within "big six" accounting firm
- Self Starter, pro-active with strong interpersonal and analytical skills.

The position is seen as a key entry point to the Group's Finance function, offering the successful candidate the opportunity to grow within Treasury, or within the financial areas of either the Group's Head Office or its businesses.

Please write enclosing full curriculum vitae quoting ref: 154 to: Nigel Hopkins PCA, London House, 53/54 Haymarket, London SW1Y 4RP Tel: 071 539 4572 Fax: 071 925 2336

NIGEL HOPKINS  
FINANCIAL & TREASURY SELECTION

## HENRY ANSBACHER

CORPORATE FINANCE EXECUTIVE

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City

AN EXCELLENT OPPORTUNITY TO JOIN THE EXPANDING  
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## THE COMPANY

- Henry Ansbacher is a long established London based Merchant Bank providing services in Corporate Finance, Banking, Treasury as well as Securities and LDC Debt Trading and is part of the First National Bank of Southern Africa Group, one of the largest commercial banking groups in Southern Africa.

- Due to continued business expansion a high calibre Executive is sought to join the successful Corporate Finance team.

## THE POSITION

- Working on domestic UK, cross-border European and Southern African Corporate Finance advisory mandates.

- Assisting senior executives in maintaining and developing the client base.
- Conducting research and analysis in support of business development.

## QUALIFICATIONS

- Newly/recently qualified ACA/Lawyer/MBA with strong academic background.
- Ideally with some exposure to Corporate Finance.
- Numerate with PC modelling experience.
- Highly committed team player with excellent communication skills, who is innovative, creative and thrives on challenges.

Please apply in writing to Marc Hoodless, Personnel Manager, enclosing a full CV.



A member of the First National Bank  
of Southern Africa Group

HENRY ANSBACHER & CO. LIMITED  
ONE MITRE SQUARE, LONDON EC3A 5AN  
A member of the SFA and the London Stock Exchange

INTERNATIONAL  
OPERATIONAL REVIEW

AGE 25-35

THAMES VALLEY

This blue chip multinational organisation continues to increase its market share and expand through its global operations. As a result, the company is looking to expand its dynamic, high-profile operational review function, with the following positions.

**SENIOR AUDITOR** c.£30-35K  
Reporting to the Corporate Audit Manager, this is an opportunity for a graduate ACA with two to four years' PQE. Responsibilities will include management of assignments and extensive

liaison with senior operational and financial management in order to produce high level strategic reports.

**AUDITOR** c.£24-28K  
A newly qualified ACA is required to join the team responsible for operational and systems review of international business units and identification of key commercial risks. Long term career prospects lie either within the department or alternatively within a line finance position.

The successful candidates will demonstrate a good academic and professional pass record, together with highly developed communication skills. Some exposure to computer audit and/or foreign language ability would be advantageous but not essential. A willingness to undertake some international travel is required.

Interested candidates should call Tracy Messing, on 0753 831515. Alternatively, send your CV to her at Robert Walters Associates, 42 Thames Street, Windsor, Berkshire, SL4 1PR. Fax 0753 678908.

ROBERT WALTERS ASSOCIATES

## Finance Director

Wiltshire/M4 corridor

c.£50-£60,000 pa  
Plus Bonus & Car

Our client is the UK operating company within a profitable and growing US group, where worldwide turnover exceeds \$2 billion. The group offers diverse business services to private and public sector organisations across North America, the UK and Europe.

As a result of a recent promotion this exciting opportunity has arisen. Leading and developing a large finance function and playing a significant role in moving the business forward your key responsibilities will include:

- Creating a mission and objectives for the finance function and ensuring the positive development of the department and the staff.
- The provision of effective financial controls as well as accurate and timely accounting and statistical information.
- Ensuring the provision of relevant information for business decision-making and contributing to key commercial and strategic decisions.
- Identifying areas and plans for improvement and increased profitability, and thereafter ensuring agreed solutions are implemented.

In order to add value at an early stage you must be a team player who can clearly demonstrate:

- A strong financial management background with the vision to take the strategic as well as the detailed perspective.
- Evidence of direct contribution to the bottom line with an ability to actively contribute to an environment of change.
- Well-developed leadership skills, powers of persuasion and commercial credibility, able to present both innovative ideas and controversial issues in a convincing manner.
- A clear understanding of international cultural differences, with an ability to communicate at all levels and across all functions.

You will be a Qualified Accountant with broad finance and commercial experience obtained at a senior level, within a blue-chip (ideally international) group. Additionally, you will have a strong affinity to computerised systems and will actively seek to improve efficiency through systems development.

If you feel that you are able to rise to this challenge, you should write to Karen Wilson, Hoggett Bowers, George V Place, 4 Thames Avenue, Windsor, Berkshire, SL4 1QP, enclosing a recent CV and a note of current salary, quoting Ref WKW/5349/FT.

### Hoggett Bowers

EXECUTIVE SEARCH AND SELECTION

## Controller - Northern Europe

London/Surrey Borders

c.£40,000 pa  
Plus Car

Our client is internationally renowned for its leading quality brands in consumer products and services. It sets and maintains equally high standards for its personnel. It rewards the success of these personnel with rapid and challenging career opportunities and promotions.

As a result of recent promotions and developments this exciting role has arisen in the Northern European Head Office. The position is responsible for providing the strong, innovative and intrusive control environment which will provide the framework for a fast moving entrepreneurial approach. Specifically the responsibilities include:

- Ensuring that the consolidated financial statements are accurately and promptly prepared, as well as providing perspective and advice on accounting control and policy compliance to local management.
- Improving profitability by advising senior management on such issues as business proposals, project evaluation and providing financial perspective on market place decisions.
- Leading, motivating and developing a small team of direct reports and assisting regional management in the development of their staff.
- Challenging existing processes, and seeking positive developments and simplifications in all aspects of financial control and reporting.

- Various ad hoc tasks which may include review of potential acquisitions and disposals.

In order to perform and develop the above role you will be an ACA/CCA who is either presently a Manager within a 'Big 6' firm or alternatively within the Group Accounting function of a large blue-chip organisation. Additionally, you must clearly demonstrate:

- A strong technical and disciplined approach with the highest level of integrity.
- Up-to-date knowledge of and interest in UK legislation (and possibly but not essentially US GAAP and European guidelines).
- A high level of personal maturity and credibility able to build relationships at all levels and across all functions.
- Flexibility and a positive attitude to change.
- An ability to persuade and influence even under pressure and over controversial issues.

This role represents a key entry point into the organisation. If you would like to discuss it further, you should write to Karen Wilson, Hoggett Bowers, George V Place, 4 Thames Avenue, Windsor, Berkshire, SL4 1QP, enclosing a recent CV and a note of current salary, quoting Ref WKW/5349/FT.

### Hoggett Bowers

EXECUTIVE SEARCH AND SELECTION

## EUROPEAN FINANCE DIRECTOR

London

c.£60,000, bonus, car

Servicing a blue chip customer base, this substantial UK plc is undergoing an ambitious restructuring programme designed to provide technical and commercial synergies and economies of scale unparalleled in its industry sector. Fundamental to the achievement of its aggressive business objectives is the setting in place of financial systems which will allow the organisation to function in a world class manner. The requirement is for a high calibre finance professional, through the management of a small highly qualified team, to drive process re-engineering throughout the organisation and, in addition to ensuring best practices are achieved in each of the divisions, enable the company to maximise its profit and cash generation. This will involve a planned approach to regionalising the finance function to improve control and financial management information. Reporting to the Group Finance Director, candidates in their mid thirties, will possess an impressive first degree, ideally a post graduate business qualification and fluency in French combined with a significant and proven operational finance background gained in manufacturing. This is a senior management role and opportunities for further career enhancement within this fast changing organisation are exceptional for talented and results-orientated individuals. The compensation package includes a generous performance-related bonus which demonstrates the importance and seniority of the role. Please forward in absolute confidence a full curriculum vitae to Adderley Featherstone plc, 4 Woodside Place, Glasgow G3 7QF. Tel: 041 353 5130. Fax: 041 353 3032.

**ADDERLEY-FEATHERSTONE plc**

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## DEVELOPING BUSINESS LEADERS

Exceptional Global Experience for Fast-Track Performers

One of the world's most successful global giants, GE aims to be first in every one of its markets - from light bulbs to power plants, airplane leasing to credit cards, commercial real estate to network broadcasting. With a passion for excellence, a refusal to be less than the best and consistent gains in revenue, profit and productivity, GE's corporate values are unique.

The Company's premier management training ground is the GE Audit Staff, whose mission is to ensure financial integrity, improve business process efficiency and develop future business leaders.

Focusing on areas of highest risk and maximum return, the audit teams work with the businesses to drive strategic initiatives and improve critical processes through reduced cycle time and greater efficiency. Responsibilities include assessing financial and compliance risks, performing due diligence reviews of acquisitions, identifying and often implementing corrective actions and presenting findings to management.

As part of an international team, auditors undertake three or more assignments per year, each at different GE businesses around the world. Supported by an accelerated training programme, they

develop a broad experience base from their involvement in all functions and are subsequently promoted to key leadership positions in the Company.

This unique challenge demands exceptional, highly-motivated, results-oriented individuals, keen to achieve their full potential while gaining diverse global business experience. Outstanding analytical and interpersonal skills are important, combined with the ability to work well independently and in a team. Candidates, who will be either newly or recently qualified ACA/CIMA/MBAs or have 2-5 years' commercial experience, must have a strong academic background and fluency in English and at least one other language.

One of the world's foremost leadership development programmes, the demands are high... the rewards outstanding. Interested applicants should post or fax a full CV, quoting ref 080, to the address below. For more information, call us on 44-1-329 4649 (weekdays) or 44-81-467 1408 or 44-71-231 8272 (evenings and weekends).

Note: Any CVs sent direct to GE will be forwarded to Alderwick Consulting Ltd.



GE is an equal opportunity employer.  
\*Not associated with the English company of similar name.

**ALDERWICK CONSULTING**

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TEL: 44-71-329 4649 FAX: 44-71-329 4671



FINANCIAL SEARCH & SELECTION SPECIALISTS

### DEVELOPMENT OPPORTUNITIES WITH MAJOR BANKING GROUP

As a result of an internal promotion and the creation of a new position, two key opportunities have arisen within the Group Reporting function of this major Banking Group. The function is responsible for the preparation of the Group's UK and US financial statements, development of Group accounting policy, Regulatory reporting and analysis and the consolidation of the Group's management accounts. Both positions report to the Head of Group Reporting.

#### MANAGER - GROUP REPORTING

to £37,000 + Banking Benefits

This position has primary responsibility for identifying the impact of new accounting standards and legislation, interpreting and implementing regulatory requirements, capital analysis and reporting as well as regular Bank of England reporting. Suitable candidates will be Qualified Accountants (most probably ACA) with at least three years post qualification experience, ideally gained within the financial services sector. A strong academic background combined with a thorough knowledge of UK accounting standards is a minimum requirement and a knowledge of the banking regulatory environment would be an advantage. As a high profile role, it requires a candidate who can communicate with and win the confidence of senior management, whilst being able to demonstrate the potential and ability to develop into more senior roles in the medium term.

If you are interested in progressing your career within this major financial services organisation, please send a copy of your CV together with a note of current salary, to Shirley Knight BA, MBA, ACMA at FMS, 5 Bream's Buildings, Chancery Lane, London, EC4A 1DY, or call her on 071-405 4161.

#### MANAGER - SEC REPORTING

to £32,000 + Banking Benefits

This position has responsibility for preparing Group financial statements to US GAAP requirements, identifying the impact of and implementing US accounting standards and working closely with external financial and legal advisors in liaising with the US Securities and Exchange Commission.

Suitable candidates will be Qualified Accountants (most probably ACA) with at least two years post qualification experience, with a strong academic background. As a minimum, however, you should have a sound knowledge of UK accounting standards. While previous US accounting and reporting experience is not essential, it would be a distinct advantage. Individuals must possess strong oral and written communication and presentation skills.

A MEMBER OF THE PSD GROUP

GROUP  
FINANCIAL  
REPORTING

CENTRAL  
LONDON

### GUERNSEY

## FINANCIAL CONTROLLER/DIRECTOR DESIGNATE

RESPONSIBILITY FOR THE OFF-SHORE INTERESTS OF AN INTERNATIONAL CONSUMER GOODS COMPANY

Our client is a highly successful, prestigious and independent consumer goods company whose brands are worldwide market leaders. Its off-shore business activities are managed and financially controlled from Guernsey.

In a new role, you will supervise both the accounting and administrative functions, as well as assist the Directors with developing new business opportunities, ultimately becoming financially responsible for all the Company's overseas investments.

This is both a "hand-on" role and one that is also key to the Company's strategic development. You are professionally qualified, probably at Chief Accountant level now, experienced in computerised systems and highly PC literate. A willingness to travel is essential and a knowledge of branded consumer products helpful.

Apart from the considerable financial and environmental attractions of living in Guernsey, the appointment will appeal to someone who enjoys a great deal of autonomy and who wishes to make a long-term career investment - one that leads to the Directorship of the Guernsey operations, as well as representing the Company on the Boards of the various overseas interests.

Please send a detailed CV, in confidence, to our adviser,  
Robert Graham, Bucher/Rugman & Partners,  
25 Buckingham Gate, London SW1E 6LD.

### FINANCIAL DIRECTOR/ CORPORATE FINANCE EXECUTIVE

Entrepreneurial and Effective Accountant with Financial Management and/or Corporate Finance experience required to run an ambitious and fast-growing Corporate Finance company in the City in this dual role.

The successful applicant will be:

- Ambitious and Qualified
- 25-45 yrs old
- Have at least 2 years Financial Management/Corporate Finance experience
- Have a Commercial Outlook and Management Ability

Salary neg. with opportunity to attain partner level within 2 yrs on the basis of ability.

Please write with C.V. to:

Paul Risico  
Hamilton House, 1 Temple Avenue  
Victoria Embankment, London EC4Y 0HA

## FINANCIAL DIRECTOR

Northants

Attractive Salary Package plus Car

### TEXTILE BONDING

Textile Bonding Ltd manufactures laminated and bonded products, particularly for the automotive industry. Turnover is c£10m and the company is a subsidiary of Readicut International Plc and has plans for growth in existing and new markets.

Reporting to the Managing Director, the role will include responsibility for all financial matters and associated functions. The individual will also be expected to make a significant contribution to the commercial direction of the business.

The successful candidate will be an experienced qualified accountant, aged mid 30's to late 40's, with a proven record within a small to medium sized manufacturing business. Strong technical ability, enthusiasm and first rate communication skills are pre-requisites.

Apply in writing to

**FORSYTHE & KAYEE LTD**  
ACCOUNTANCY APPOINTMENTS  
13/14 Park Place  
Leeds LS1 2SJ  
Telephone: (0532) 450851

**forsythe & kayee**

### GROUP FINANCIAL CONTROLLER OIL INDUSTRY SERVICES

East Anglia

c. £27,000 + car + benefits

A rapidly expanding group involved in the provision of services to the oil and gas industry is seeking a dynamic young Accountant to assume overall responsibility for financial systems and the preparation of management accounts and budgets.

Probably aged 28/35 the candidate will preferably have had at least 3-4 years commercial experience, but this is not as important as enthusiasm and drive, an ability to communicate, and the willingness to form part of an entrepreneurial management team committed to growth. A familiarity with micro-computers, and the ability to use computers as an aid to planning and management control, is essential.

The remuneration package is negotiable and will include generous benefits. Interested candidates should write, enclosing a comprehensive CV, to:

Roston & Partners  
Devy House  
Castle Meadow  
Norwich NR1 3DE

### APPOINTMENTS WANTED

#### "HANDS ON" - ACMA

20 years in Manufacturing, experience in Accounting, Spreadsheets, Manufacturing Systems, Personnel, etc. Enjoys Working with Line Managers seeks senior position or accounting/project troubleshooting assignment(s).

Write to Box A2144, Financial Times,  
One Southwark Bridge, London SE1 9HL



## Deputy Head of Finance and Administration

### Excellent Package + Banking Benefits

City

Our client is a publicly quoted financial institution, operating both in the UK and internationally, whose services include banking, corporate finance and investment management. Following a period of strong growth they now seek a Deputy Head of Finance and Administration to positively impact the business. The position represents an excellent opportunity to join a fast growing organisation at a senior level with clearly defined avenues for career advancement and challenge.

Reporting to the Head of Finance Administration your responsibilities will include:

- Overseeing accounting, financial systems, internal controls, tax and regulatory reporting for its operating companies.

- Involvement in the planning and implementation of all aspects of Business Development and Marketing.

\* Managing the finance, operations, IT and security departments.

Ideal candidates will be qualified ACAs, probably in their early to mid 30's, with no less than 7 years PQE gained preferably in the Financial Services Industry. Commercial acumen and drive, combined with a broad breadth of finance, operations and administration experience are all essential for this multi faceted role. Communication and management skills will be commensurate with a position of this seniority.

If you have the required skills, experience and dynamism for this integral role then please write to our advising consultant Jonathan Kidd, Harvey Nash Plc, Dragon Court, 27-29 Maclean Street, London WC2E 8SLX. Tel: 071 333 0033. Please quote reference no. HNF114

HARVEY NASH PLC

"Challenging opportunity for a Commercial Finance Professional"

## FINANCE DIRECTOR

Package  
Indicator  
£55,000  
inc Bonus  
+ Car

SURREY

fi  
ss

Our client is the major provider of market data, and the prime source of information within their industry sector. As well as publishing a wide range of written product reports they are at the forefront of PC Software technology, offering an unparalleled range of services to maintain a competitive edge in a rapidly developing market. This highly profitable company is an important subsidiary of a major international group.

Working closely with and reporting to the MD you will be a key member of the senior management team, contributing to the continued growth of the company by providing input on all major finance-related issues. However, the key challenges will be the provision of effective and professional management, adding value to a business dedicated to change.

The successful candidate, most likely aged 30-40 will be a qualified accountant with relevant commercial experience and a track record of significant achievements. Other qualities will include excellent communication skills, a proactive approach and the ability to initiate new ideas. Your commitment and acumen will be rewarded both financially and by wide ranging opportunities available within the group.

To be considered for this appointment please fax or post a full CV to Anthony Lewis or Neil Wax at FSS Financial Selection Services, Charlotte House, 14 Windmill Street, London W1P 2DY or alternatively telephone on 071-209 1000 (Fax: 071-209 0001).

FSS  
FINANCIAL  
SELECTION SERVICES

## Finance Director

West London

£40K

Our client is a respected and publicly quoted service group based in West London. They now seek to recruit a Finance Director who will take responsibility for the management and financial accounting functions of their business.

Reporting to the Executive Chairman you will take immediate control of monthly management accounts, budgeting and general systems management. In addition, you will manage the general administration and information technology functions, whilst having significant input into further development of the group accounting and company secretarial functions.

The appointment represents a high profile opportunity for a qualified accountant to make a commercial contribution to the business by providing effective financial advice and guidance at senior level. You will support your technical competence with a high level of self motivation, initiative and commercial ability.

In the first instance, please send your CV to Tracey Holloway or Steve Maslin at Grant Thornton, International House, 7 High Street, Ealing, London W5 6DB.

Grant Thornton  
MANAGEMENT CONSULTANTS

## SENIOR MANAGEMENT ACCOUNTANT VEHICLE MANAGEMENT SERVICES

SURREY

£33K + FX CAR

Our client is a £60+ million subsidiary of a major diversified service industry PLC. The main operation is vehicle management for a fleet in excess of 8000 commercial vehicles and cars, from 80+ sites throughout the UK. Extensive business re-engineering, heavy investment in new systems and increasing emphasis on customer service, now demands an additional senior management professional to contribute to the future success of the business.

Reporting to the Financial Controller, the role will be to provide a high standard of management information and financial control.

Key tasks will include the preparation and co-ordination of annual budgets; management information on leasing contracts; enhancing monthly management accounting routines and developing reporting to assist line management.

Candidates should ideally be mature and experienced graduate accountants, probably CIMA members, aged late 20's/early 30's with understanding of both leasing concepts and the innovative use of spreadsheets. Personality should be bright, assertive and enthusiastic.

A well developed communicative and responsive attitude is needed to support colleagues through a period of strategic change.

Applications by CV, including current remuneration, together with a handwritten letter explaining your suitability for the post to:

Executive 2000 Search & Selection  
Sutton Park House, 15 Carshalton Road  
Sutton, Surrey SM1 4LD Fax: 081-770 3794 quote ref: KC206

## HEAD OF INTERNAL AUDIT

The London Office of a leading International Bank seeks a qualified accountant with substantial banking experience to manage a small team of experienced auditors.

This challenging role will involve responsibility for planning and supervising audits covering a wide range of banking activities, including lending, treasury, trade finance, retail and card operations in a sophisticated computer environment. An ability to liaise with and influence senior management is essential.

The ideal candidate would be a computer literate manager, in their late 20's/early 30's, looking for a first move out of the profession.

An attractive package, including banking benefits, is available to the successful candidate.

Please reply in confidence with salary details and a copy of CV, by 29 September 1994, to Box A2154, Financial Times, One Southwark Bridge, London SE1 9HL

## EUROPEAN FINANCE CONTROLLER TELECOM

VIATEL, Inc., an international telecommunications company with European headquarters in Paris and regional offices in Milan, Rome, Madrid, Barcelona, Brussels and Amsterdam, offers a Paris-based position for European Finance and Administrative Director in charge of upgrading accounting and fiscal procedures, with reporting to CFO in New York HQ.

Ideal candidate should possess:

- Minimum 5 years senior level accounting responsibility
- Familiarity with international operations and reporting
- Multilingual skills
- Must be able to work in the EC legally

This important position offers a competitive salary/benefits package. Qualified applicants are invited to Fax CV to: (Paris) 33-1-49-06-07-15. Attn: Mlle J.L. Poumy, Tour Neptune, Cedex 20, 92086, Paris la Defense

VIATEL

EAST MIDLANDS

## Group Financial Director

TO £40K PLUS EXECUTIVE BENEFITS

Our client, a privately owned company, is a rapidly expanding and dynamic motor distribution and leasing group. With a turnover in the region of £20 million, they now require a Group Financial Director to supplement the senior management team.

Reporting directly to the Chairman, the successful candidate will be a qualified accountant, ideally hold an MBA qualification and be aged late 30's plus. It is essential that the successful candidate has a proven track record of raising finance and dealing regularly with both bankers and financial institutions. Experience of working within a rapidly growing organisation would be a considerable advantage.

The position will have prime responsibility for managing the finance function as well as advising the Board on all strategic and operational matters, in particular corporate finance and treasury issues.

If you believe you have the drive and ambition to work within a fast moving and challenging environment, then please write enclosing full personal and career details to: Suzanne Robinson, quoting reference: FT300, Robson Rhodes, Management Consultancy Division, Bryanston Court, Selden Hill, Hemel Hempstead, Herts. HP2 4TN.

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WEDNESDAYS AND  
THURSDAYS UK

## FINANCIAL ACCOUNTANT GABON

£SUBSTANTIAL TAX FREE PACKAGE

Our client, an independent oilfield construction company with rapidly expanding operations, is seeking a fully qualified accountant for its regional office. As a key member of the management team, the successful applicant will be responsible for the production of monthly management accounts and other management reports, office administration, management of suppliers and clients accounts and budget and cashflow forecasts.

The ideal candidate will be fluent in French, capable of working on their own initiative, fully computer literate and possess a high level of energy, drive and commitment.

Salary will be commensurate with qualifications and experience and the package will include the cost of accommodation and living allowance.

If you are interested please submit your full CV and salary information to:

Norman Allport & Co.,  
P.O. Box 761,  
8 Church Street,  
St. Helier,  
Jersey, C.I.,  
JE4 8ZZ

## Accountancy Personnel

### Managing growth in International Markets...

With an impressive record of growth in financial performance and profitability over the last few years, our client is a major player within the international transportation industry. Fully committed to developing their worldwide markets they now seek an energetic and talented finance professional to take on a key role within their financial and commercial operations.

#### The Opportunity

Key responsibilities will include:

- Reporting to the Chief Accountant of this £200-million turnover business and working as an integral part of the senior management team.
- Review and investigation of existing systems and procedures across the business, devising a strategy for development and improving efficiency.

- Management of a series of major projects designed to optimise business performance.
- Financial control of branch offices in both the UK and overseas.
- Worldwide travel to destinations including Europe, USA, the Far East and Australia.

#### The Appointee

Key qualities will include:

- A graduate ACA with at least three to four years post qualification experience in a commercial environment.
- Proven communication skills at all levels, both oral and written.
- Ideally aged 28-35 with the confidence and determination to succeed in a highly competitive and dynamic business.

- Strong team player and good man manager, able to instigate and manage change and handle difficult issues with tact and diplomacy.
- A record of significant achievement to date and a clear focus for the future.
- A further European language is desirable but not essential.

This role offers first class career development together with the opportunity to contribute to the commercial success of this progressive and forward thinking organisation. Salary will not be a limiting factor for the successful applicant.



This assignment is being handled exclusively by Accountancy Personnel. Interested applicants should forward their CV to Jane Garrard at Accountancy Personnel, 36 Museum St, Ipswich, Suffolk IP1 1JQ. Tel: (0473) 215000. Fax: (0473) 232700. Closing date for applications: Thursday 29th September 1994.

Hays

## Finance Director

To £45,000  
+ Car + Benefits

Midlands

IG

This £60 million turnover business services company, is the UK market leader within its sector. Currently they are looking to consolidate this position through organic growth and by acquisitions, in addition to attaining a pre-eminent status within their European markets.

As a result of an internal promotion they require a UK Finance Director who will have the following key responsibilities:

- the overview and continuing development of the Management Information Systems;
- supervising a team (c30 staff) which will ensure the appropriate financial and management information on which to base key decisions at divisional and group level;
- developing a positive relationship at the operational level and providing commercial input where appropriate.

Ideally aged between 30-40 years old, qualified accountant of graduate calibre, you must demonstrate hands-on experience of systems development within a multi-site operation; strong financial control, interpersonal, and man management skills; as well as a keen commercial awareness.

In return there is an excellent package, including relocation if appropriate, and the opportunity to join a rapidly expanding division of a major Plc.

Suitably qualified and experienced candidates should send a full CV to:

David Greenwell Associates  
quoting reference 9994, at  
52 St Pauls Square, Hockley,  
Birmingham B3 1QS

## FINANCIAL CONTROLLER

QUOTED COMPANY - S.W. LONDON ACA 28-35 c.£35,000

This is a senior role with significant input to the financial aspects of trading decisions and their results, whilst embracing normal financial control disciplines.

The successful candidate will possess both full accountancy skills and back-ground, plus a proven very high level of commercial awareness.

The Group is a financially strong and fast expanding market leader in wholesale distribution, with fully integrated BS. 5750 computerised management information systems.

Please reply in the strictest confidence to:  
The Personnel Dept,  
Northamber plc, Lion Park Avenue,  
Chesham, Surrey KT9 1ST  
OR Fax: 081 391 4464

Northamber  
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## FINANCIAL ACCOUNTANT

Package to £35k

Peoples Phone is one of the fastest growing companies in the country, operating in the mobile telecommunications market.

Sales are currently in excess of £110m per annum. This success has been built on efficient systems and quality staff. We now require a Financial Accountant to fill a senior role reporting direct to the Finance Director.

You will be a qualified ACA with minimum of two years' PQE and preferably some experience in industry. You will be looking for a new challenge.

Your responsibilities will encompass the entire financial accounts function and will specifically include the implementation and operation of financial controls for our expanding retail chain.

You must possess strong financial accounting skills and be highly computer literate. Above all you must have the ability to operate in a rapidly growing commercial environment. The prospects for the right person will be excellent. If you are interested in joining our team, please write with c.v., stating your current salary, to:

The Finance Director,  
The Peoples Phone Company Plc,  
Dryden House,  
The Edge Business Centre,  
Himber Road, London NW2 6EW.

PEOPLES  
PHONE  
Where Talk is Cheaper

## APPOINTMENTS WANTED

IMMENSELY EXPERIENCED FCA

Seeks part/full time position as Finance Manager/Business Advisor in the Midlands. Capable of expertise in fields of fund raising, systems development, personnel and administration, tax planning & general management across several industrial sectors.

Please phone or fax 0952-541791